FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

Central Eurasia

FBIS-SOV-96-095
Wednesday
15 May 1996

Daily Report
Central Eurasia

FBIS-SOV-96-095 CONTENTS *15 May 1996*

NOTICE: An * indicates material not previously disseminated in electronic form.

PRESIDENTIAL ELECTION ISSUES

Russia: Yeltsin's 'Unsteady Gait' on Volga Trip Noted *[PRAVDA 15 May]* 1
Russia: Yeltsin Visits Moscow Campaign Headquarters *[INTERFAX]* 1
Russia: Yeltsin Meets With Fedorov, Discusses Political Processes *[INTERFAX]* 2
Russia: General Gromov To Side With Yeltsin *[SEGODNYA 14 May]* 2
Russia: Yeltsin Seen Abusing Powers of Office To Assure Win *[NOVAYA GAZETA-PONEDELNIK 13 May]* 3
Russia: Zyuganov Answers Concerns Voiced by Voters *[SOVETSKAYA ROSSIYA 14 May]* 4
Russia: Zyuganov Interviewed in Presidential Election Broadcast *[Radio Yunost]* 7
Russia: Zyuganov Visits Convent, Nuclear Center in Nizhniy Novgorod *[Moscow NTV]* 9
Russia: Zyuganov, Fedorov Interviewed on Presidential Election *[Moscow RTV]* 9
Russia: Zyuganov's 'Mediocre' Attributes Examined *[NOVAYA GAZETA-PONEDELNIK 6 May]* 12
Russia: Yavlinskiy Explains Elections to Voters *[Moscow RTV]* 14
Russia: Third Force 'Very Unhappy' About Yavlinskiy Vacillation *[KOMSOMOLSKAYA PRAVDA 14 May]* 16
Russia: Gorbachev Invites Candidates To Discuss 'Union of Four' *[ITAR-TASS]* 17
Russia: Zhirinovskiy Addresses Young Russians by Radio *[Radio Yunost]* 17
Russia: Election Broadcast by Presidential Candidate Fedorov *[Moscow Radio]* 19
Russia: Second Presidential Election Broadcast by Candidate Shakkum *[Moscow RTV]* 20
Russia: Businessman Refused as Candidate To Appeal to Court *[Moscow 2x2 TV]* 21
Russia: Electoral Commission Calls For Presidential TV Debates *[Moscow RTV]* 21

INTERREGIONAL AFFAIRS

CIS: Draft Declaration Prepared for 17 May CIS Summit *[INTERFAX]* 22
CIS: Results of Primakov's Transcaucasus Tour Assessed *[KRASNAYA ZVEZDA 15 May]* 22
CIS: ITAR-TASS Carries Press Review for 15 May 96 23

RUSSIA INTERNATIONAL AFFAIRS

Russia: NATO Chief Denies Plans for Nuclear Deployment Eastward *[ITAR-TASS]* 24
Russia: Duma Deputy: Moscow Must Review Commitments if NATO Expands *[INTERFAX]* 24
Russia: Zyuganov Views NATO Expansion, Yeltsin, Economy *[Munich FOCUS 13 May]* 24
Russia: Expelled U.S. Businessman 'Presumably' Spied for DIA *[NEZAVISIMAYA GAZETA 14 May]* 26
Russia: Foreign Ministry To Examine 'Incident' With Businessman *[ITAR-TASS]* 26
Russia: Source Says Expelled American Tried To Recruit Navy Officer *[INTERFAX]* 27
Russia: Karasin: Moscow Insists on Expulsion of British 'Spies' *[ITAR-TASS]* 27
Russia: Yeltsin Sends Personal Message to Rafsanjani *[INTERFAX]* 27
Russia: Cooperation With Belarus Not Response to NATO Expansion *[ITAR-TASS]* 27
Russia: Grachev: Tajikistan in State of 'Civil War' *[Moscow RTV]* 28
Russia: Foreign Ministry on 'Deteriorating Situation' in Tajikistan *[ITAR-TASS]* 28
Russia: Spokesman Warns Estonia Against 'Undermining Relations' *[ITAR-TASS]* 29
Russia: Estonia Accused of 'Favoring' Terrorism *[KOMSOMOLSKAYA PRAVDA 14 May]* 29
Russia: Russian Firms Want Bigger Slice of Kazakhstan Oil *[KRASNAYA ZVEZDA]* 31

Russia: Moscow Deals 'Stoically' With New Turkmen-Iranian Railroad *[KOMMERSANT-DAILY 14 May]* 32

RUSSIA NATIONAL AFFAIRS

Political Issues

Russia: Yeltsin, Chernomyrdin Discuss Social, Economic Situation *[INTERFAX]* 33
Russia: Yeltsin Reappoints Khlystun as Agriculture Minister *[INTERFAX]* 33
Russia: Chernomyrdin Fails To Appear at Duma Session *[ITAR-TASS]* 33
Russia: Chernmomyrdin Greets Russia Is Our Home on Anniversary *[ROSSIYSKAYA GAZETA 14 May]* 33
Russia: Differing Views of NDR Movement Cited *[ROSSIYSKAYA GAZETA 13-17 May]* 34
Russia: Duma Committee Head Criticizes Moscow's Handling of Budget *[INTERFAX]* 36
Russia: Planned 'Sliding Peg' for Ruble Exchange Rate Explained *[FINANSOVYYE IZVESTIYA 14 May]* 36
Russia: Duma Deputy Speaker on Professionals Staying in Government *[ITAR-TASS]* 37
Russia: Economics Minister Seeks Closure of Weak Enterprises *[ITAR-TASS]* 37

Military, Nuclear & Space Issues

Russia: Defense Industry Committee Upgraded to Ministry *[ROSSIYSKAYA GAZETA 14 May]* 37
Russia: Arms Traders Warned To Stick to the Rules *[ROSSIYSKAYA GAZETA 14 May]* 38
Russia: 'Dal' Chemical Contamination Detection System Profiled *[Moscow ORT]* 38
Russia: Nuclear Experts Assess April Nuclear Summit *[NEZAVISIMAYA GAZETA 14 May]* 39
Russia: Funds Allocated To Resume Nuclear Plant Construction *[INTERFAX]* 39
Russia: Space, Missile Sector's 'Considerable Achievements' Noted *[KRASNAYA ZVEZDA 15 May]* 40
Russia: Manned Space Flight Program Held Up by Payment Problems *[KOMSOMOLSKAYA PRAVDA 15 May]* 40
Russia: Cosmos Satellite Destroyed; Commission To Probe Accident *[INTERFAX]* 40

Federal Assembly

Russia: Yeltsin, Senators Seen Cool on Public Election Control Law *[MOSKOVSKIYE NOVOSTI 12-19 May]* 41
Russia: Premier To Receive 'Bad Mark' From Duma on Budget *[NEZAVISIMAYA GAZETA 15 May]* 41
Russia: CPRF Deputies' Performance as Lawmakers Criticized *[IZVESTIYA 13 May]* 42

Regional Affairs

Russia: Yeltsin To Visit Chechnya Despite Terrorist Threats *[ITAR-TASS]* 44
Russia: Commission Asks Yeltsin To Postpone Chechnya Visit *[INTERFAX]* 44
Russia: Kulikov: Wrong Time for Yeltsin To Visit Chechnya *[INTERFAX]* 45
Russia: Basayev Calls Yeltsin Visit to Chechnya 'An Insult' *[Moscow NTV]* 45
Russia: Chechen Government Official Views Yeltsin's Planned Visit *[ITAR-TASS]* 46
Russia: Korzhakov's Duty To Guard Yeltsin in Chechnya Emphasized *[INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY]* 46
Russia: Yeltsin's Negotiations Plan for Chechnya Questioned *[NEZAVISIMAYA GAZETA 14 May]* 46
Russia: Maskhadov Seen Seeking End to Chechen Carnage *[ROSSIYSKAYA GAZETA 14 May]* 47
Russia: St. Petersburg Mayoral Candidates Outline Platforms *[St. Petersburg TV]* 49
Russia: Program Launched To Clean Up 1957 Nuclear Accident in Urals *[ITAR-TASS]* 50
Russia: Soskovets Visits Murmansk, Discusses Problems *[ROSSIYSKAYA GAZETA 14 May]* 50

Economic Issues

Russia: Yeltsin Orders Payment, Tax Break for Military Enterprises *[ROSSIYSKAYA GAZETA 14 May]* 52

Russia: Panel To Reorganize Foreign Economic Bank Activity *[ROSSIYSKAYA GAZETA 13 May]* 53
Russia: Early May Foreign Exchange Market Detailed *[FINANSOVYYE IZVESTIYA 14 May]* 53
Russia: Oil Industry Heads Ask Premier for Tax Break *[IZVESTIYA 14 May]* 54

UKRAINE

International Affairs

Ukraine: General Views Solana Visit, Relations With Russia *[UKRAYINSKA HAZETA 8 May]* 55
Ukraine: Black Sea Fleet Commander Cited on Sevastopol Status *[UKRINFORM]* 56
Ukraine: Kiev To Highlight Deported Nations Issue at CIS Summit *[INFOBANK]* 56
Ukraine: Replacement of Peacekeeping Battalion in Bosnia Completed *[UKRINFORM]* 56
Ukraine: Deputy PM Attends Opening of Turkmenistan-Iran Railroad *[INTELNEWS]* 56

National Affairs

Ukraine: Kuchma Comments on Wage Payment Crisis *[INTERFAX]* 57
Ukraine: Kuchma Appoints New Head of Chernivtsi Administration *[INFOBANK]* 57
Ukraine: National Security Council Discusses Crime in Crimea *[UKRINFORM]* 57

Economic Issues

Ukraine: Economic News Reported *[ROSSIYSKAYA GAZETA 13 May]* 58
Ukraine: Proposed Law 'Major Roadblock' to Privatization *[INTELNEWS]* 58
Ukraine: Government Resolves To Provide Assistance to Coal Mining *[INFOBANK]* 58

WESTERN REGION

Belarus

Belarus: Official Views Possible NATO Nuclear Threat *[Minsk TV]* 60
Belarus: Military Meeting in Moscow 'Regular Working' Event *[Minsk Radio]* 60
Belarus: Prospects for Minsk-Moscow Cooperation in Oil Processing *[VO SLAVU RODINY 7 May]* 60
Belarus: Report on Solidarity Leader Arrest *[Warsaw Radio]* 61
Belarus: Decision To Deport Solidarity Chairman *[Warsaw Radio]* 62

CENTRAL ASIA

Tajikistan

Tajikistan: Rakhmanov Acknowledges UN Call For Immediate Cease-Fire *[ITAR-TASS]* 63
Tajikistan: Government Forces Reportedly Sustain Defeat in Tavil Dara *[Voice of Free Tajikistan]* 63
Tajikistan: Government Building Burned During Mass Riots in Ura-Tyube *[ITAR-TASS]* 63
Tajikistan: Protest Grows in Khodzhent Against Law Enforcement Bodies *[KHOVAR]* 64

Turkmenistan

Turkmenistan: Turkey's Demirel Arrives in Ashkhabat *[Ankara TV]* 64
Turkmenistan: Demirel, Rafsanjani Discuss 'Unease' Over Israel Accord *[Ankara TV]* 65
Turkmenistan: Afghan President in Ashgabat for ECO Meeting *[Kabul Radio]* 65
Turkmenistan: Report Notes 'Positive Trends' in Economy *[TURKMEN PRESS]* 65

CAUCASUS

Armenia

Armenia: Russian Mediation in POW Exchange Welcomed *[NOYAN TAPAN]* 67

Armenia: Russian General on Concern Over Azerbaijan's Border *[Yerevan International]* 67
Armenia: CIS Border Troop Commanders Hold Session in Yerevan *[SNARK]* 68
Armenia: Military Called 'Major Factor' in Karabakh Cease-Fire *[NOYAN TAPAN]* 68
Armenia: Armenia, Karabakh To Be Included in CIS Air Defense System *[TURAN]* 68
Armenia: President's Contacts During Railway Inauguration Noted *[Yerevan International]* ... 69
Armenia: Agreements Signed During Ukrainian President's Visit *[Yerevan Radio]* 69
Armenia: Progress of Privatization Detailed at Economic Conference *[NOYAN TAPAN]* 70
Armenia: Prime Minister Outlines Economic Strategy *[NOYAN TAPAN]* 70

Georgia

Georgia: Chernomyrdin's Upcoming Visit Not Agreed To by Tbilisi *[ITAR-TASS]* 72
Georgia: 'Zviadists' Hold News Conference *[AKHALI TAOBA 1 May]* 72
Georgia: Abkhazia Reported Facing 'Demographic Catastrophe' *[ALIA 7-8 May]* 73
Georgia: Russia's Transcaucasian Military To Revise 75th Jubilee *[INTERFAX]* 73
Georgia: Oil Consortium Boss Says No Alternative to Georgian Route *[MERIDIANI 7-10 May]* 74

BALTIC STATES

Lithuania

Lithuania: President Submits EU Agreement to Parliament *[INTERFAX]* 75
Lithuania: Parliament Ratifies PFP-NATO SOFA *[ELTA 14 May]* 75
Lithuania: Landsbergis Accuses Russia of 'Psychological Warfare' *[Vilnius International]* 75
Lithuania: Opposition Discusses Foreign Minister's Letter *[Vilnius Radio]* 75

Russia: Yeltsin's 'Unsteady Gait' on Volga Trip Noted

MM1505112296 Moscow PRAVDA in Russian 15 May 96 p 1

[Report by Roman Bedrov under the "Events, Commentaries" rubric: "President Fond of Fives"]

[FBIS Translated Text] One of B. Yeltsin's campaign trips was to the Volga region.

B. Yeltsin visited five Volga cities; his entourage arrived in five large aircraft (including an IL-76 carrying the presidential cars); he presented awards to five Russian pilots (three Heroes of Russia, an order, and the title of Honored Test Pilot of Russia. The edict on the awards was signed five months ago); the president and his entourage flew to Kapustin Yar in five helicopters; the president took five little steps in order to change direction, and the phrases spoken by the president himself mostly consisted of five words.

The president was met by five big chiefs from the Defense Ministry: the first deputy defense minister, the deputy defense minister for armaments, the commander in chief of the Air Force, the commander in chief of the Air Defense Forces, and the commander of the North Caucasus Military District.

But there were not five, but many more people with rifles with telescopic sights, their actions unobtrusively controlled by Korzhakov, who was standing a little way off, his arms folded across his chest. Interestingly, none of the welcoming party or entourage went near him. Korzhakov radiated slight irony and confidence.

With its crisp march-past the honor guard company that had been brought in for the occasion emphasized, as it were, the president's unsteady gait.

The Astrakhan priest had nothing to do, spending the entire ceremony standing in the shadow of the huge IL-76.

A balloon was tethered over the airfield, bearing the inscription: "Our B.N. Yeltsin Is President!" It was diving down on spectators in the strong wind. The commander in chief ordered that it be brought down out of harm's way, and that the same inscription be spelled out on the airstrip in aviation shells as a replacement.

Then the president went on a "walkabout." He asked "How are things, Russian citizens?" and received the following response: "Are our lives ever going to get any better, Boris Nikolayevich? We are plunging into poverty!"

"They wrecked everything, I will restore it!"

"When is the smashing of the Army going to stop?"

"...I will restore it. I am very interested in the Army."

He briskly got into the back seat of the car. Korzhakov got into the front, and the motorcade set off for the civilian part of town. The central square was almost empty (there were far more members of the entourage and bodyguards). The mayor bustled about awkwardly. The president drove up to the quayside, where a motor ship was waiting for him.

"The president is moving a bit unsteadily," one local resident remarked, "he should take a rest."

Then the five big aircraft were loaded up and departed for Moscow.

Russia: Yeltsin Visits Moscow Campaign Headquarters

LD1505085796 Moscow INTERFAX in English 0840 GMT 15 May 96

[FBIS Transcribed Text] Moscow, May 15 (INTERFAX) — Russian President Boris Yeltsin visited his campaign staff headquarters for the first time yesterday, staying for an hour and a half, a campaign official said. He had been in constant contact with the staff, but never visited their president hotel office.

Yeltsin spoke with campaign staffers and then held a conference with a smaller group, which included First Deputy Chief of Staff Viktor Ilyushin, campaign co-chief Sergey Filatov and a number of politicians, including Duma deputies Boris Fedorov and Sergey Shakhray.

The president was introduced to the headquarters' structure and the main thrust of its activities.

Yeltsin stressed that the campaign would succeed only if "the activity of the headquarters and of the social committees touches the thoughts of each voter." From this point of view, Yeltsin and his supporters once again went over the presidential program, soon to be brought to the people.

Yeltsin's travels around the country were discussed at the meeting, with it being noted that the trip underscored the fact that "Boris Yeltsin's strength is in his direct contact with voters," the official told INTERFAX. This was especially clear during his visits to Volgograd and Astrakhan, the supporters said.

The campaign possibilities of other presidential contenders were also discussed.

Russia: Yeltsin Meets With Fedorov, Discusses Political Processes

LD1505113496 Moscow INTERFAX in English 1115 GMT 15 May 96

[FBIS Transcribed Text] MOSCOW, May 15 (Interfax) — Russian President Boris Yeltsin supports the idea of "a government of people's confidence" in Russia, presidential candidate eye-surgeon Svyatoslav Fedorov told a news conference at the INTERFAX head office today.

Commenting on his hour-long conversation with Yeltsin this morning, Fedorov said he told the president about his concern over radicalization of political processes in Russia, which may result in a civil war.

"A civil war has, actually, begun in economics. I am very alarmed with this," said the presidential candidate.

"We need a government of people's confidence to be formed on an honest basis and pool together everyone, including communists, capitalists and centrists, to save the economy," he said.

"Yeltsin shares my opinion. He thinks this government should be formed immediately," said Fedorov. He believes this should be done "between the first and the second rounds of presidential elections."

He said it will take time for Yeltsin to "think over membership of this government and the time for its formation."

Asked by INTERFAX about his attitude to the Chechen conflict, Fedorov stressed he does not agree with the current policy of the federal authorities. "A war is a bad method for solution of economic problems." He thinks disputable issues should be settled at negotiations, and if the negotiations fail, "universally-recognized norms and the principle of sovereignty of nations should be used." A republic which does not want to remain a member of the federation, should have a chance to separate in a legitimate procedure, said Fedorov.

Russia: General Gromov To Side With Yeltsin

MK1405131896 Moscow SEGODNYA in Russian 14 May 96 p 2

[Report by Anatoliy Veslo: "Boris Gromov Has Become Boris Yeltsin's Proxy. The Popular General Has Changed His Orientation"]

[FBIS Translated Text] General Boris Gromov told INTERFAX yesterday that he did not believe in a "third force" and urged all "democratically minded" contenders "who have illusory chances" [for a victory] to make a choice between Gennadiy Zyuganov and Boris Yeltsin. "If I were them, I would have joined the president," he said. The general himself has made his choice in favor of Boris Yeltsin, and a few days ago he became his proxy. Mr. Gromov emphasized that at issue there should be work in an unified presidential team, rather than a coalition.

In Mr. Gromov's opinion, the leader of the Communists "is symbolizing the reverse movement," whereas Boris Yeltsin personifies "a course toward the continuation of reforms."

Meanwhile, it is precisely this general, popular in the army circles, that has been regarded until recently as an irreconcilable critic of nearly all aspects of Boris Yeltsin's policy. Having started to be Mr. Yeltsin's opponent as long ago as when the latter was chairman of the Supreme Soviet of the Russian Soviet Federative Socialist Republic, Boris Gromov ran for the vice presidency with Nikolay Ryzhkov, who was competing against Boris Yeltsin for the post of the first Russian president in 1991. In the summer of the same year, the general, together with the main members of the GKChP [State Committee for Emergency Situations, which attempted the August coup] and a number of nationalist and Communist figures, signed the "Word to the People" appeal, which was both anti-Gorbachev and anti-Yeltsin.

After the August 1991 putsch had been suppressed, the general somewhat moderated his political activity and focused his attention largely on army problems. Having proved unable to get on well with Pavel Grachev, however, in 1995 he was dismissed from the post of deputy defense minister and, not without a scandal, was sent to "an honorary exile" to the Foreign Ministry.

The general's disbelief in a success of a "third force" is probably based on his personal experience. In the 1995 parliamentary election, he was one of the leaders of the "My Fatherland" association, which also aspired to take the role of such a force, but lost. Boris Gromov, however, was elected deputy in a single-seat constituency.

Some observers tend to link the sudden rapprochement between the general and the president, on one hand, with Boris Yeltsin's wish to use the popular military man in his election campaign and, on the other, with Boris Gromov's hope to take the post of defense minister. Military experts of SEGODNYA, however, think that it is precisely political activity of Mr. Gromov that can, in the long run, prevent him from taking Pavel Grachev's post.

Russia: Yeltsin Seen Abusing Powers of Office To Assure Win

MK1405075696 Moscow NOVAYA GAZETA-PONEDELNIK No. 17 in Russian, 13 May 96 pp 1-2

[Report by Olga Migacheva: "The Good Should Have Strong Fists, Handcuffs, and Missiles: The Young Republic Has Focused All Its Forces on Ensuring the President's Victory"]

[FBIS Translated Text] Precisely three months have elapsed since Boris Yeltsin officially announced in Yekaterinburg on 15 February his intention to run for reelection. Seventy-five percent of the time set aside for the presidential campaign has already elapsed. What has Yeltsin done during this considerable length of time in order to assure his victory, and how effective have his steps proven to be?

First of all, Boris Nikolayevich has found the strength to demonstrate his elementary capacity to act — without which any participation in the electoral marathon would have been out of the question. It is simply amazing how his desire to rescue Russia can stifle, albeit temporarily, all the other — even the most persistent — habits and requirements of the president. Now Russian citizens have the opportunity to enjoy to their heart's content the long-forgotten pleasure of seeing their president daily on the television screen, and a president having something to occupy himself with to boot.

It is another matter how long it will last.

As for the other efforts aimed at retaining the presidency, their results are clearly not up to the expectations pinned on them. The peace settlement plan for the Chechen Republic, which was just recently announced with such fanfare, has been derailed. (Incidentally, Yeltsin was careless enough to say that without peace in Chechnya "there is no point at all in joining in the fray.") The rash signing of the treaties of "the union of two" and "the union of four," which was clearly done for propaganda purposes — and by a mastermind behind the USSR's breakup into the bargain — has not elicited particular euphoria in society. The deadline for paying off back pensions and wages announced by the president (end of March) was not met. Furthermore, the repayment of what is workers' legitimate, hard-earned money (and without any indexation to make a provision for inflation at that) in the form of generous electoral handouts only gave rise to deep-seated disgruntlement — even among those who have actually received something.

Now it has finally become clear that Yeltsin will never venture to use the only non-risk trump that could indeed considerably raise his popularity: namely, a genuine, albeit belated, fight with corruption and "a purge of the ranks" in the top echelons of power. Yet his motives are understandable: Who would saw the branch he is sitting on? Meanwhile, his frantic search for scapegoats on whose behalf no one can interfere — such as the pitiful Ilyushenko or Gantemirov, "the perfidious embezzler of Chechen trillions of rubles, who has finally been uncovered" — just sheds more light on Boris Nikolayevich's inability to seriously come to grips with this problem.

Currently, Yeltsin is trying to offset the aforementioned blunders in his election campaign by taking action in the following three areas:

1. The persistent demonstration of the "international weight" he has gained. These are the latest meeting of the G-7 leaders that took place in Moscow; the allegedly successful fulfillment of the assignment in China; the acceptance of the invitation to attend the next G-7 summit (which is scheduled to take place, by the way, after 16 June), and so forth. Yet it is clear to anyone that with regard to such matters people make friends with an office, not with a person, and that any Russian president would be a similar success in this company.

Nevertheless, the mass media working for Boris Nikolayevich attribute these contacts exclusively to Yeltsin's merits.

2. Numerous and effectively uninterrupted tours of various regions during which Boris Nikolayevich invariably uses his favorite method of sticks and carrots. Yeltsin still believes sincerely and firmly that votes can be bought and enthusiastically plays the role of Santa Claus on Christmas night, lavishing subsidies and investments left and right — particularly since they do not come out of his pocket or the electoral fund, which is too paltry for this purpose (of course, it is illegal to use the state budget for personal electoral purposes, but when has democracy been deterred by such trifles as the law?). Simultaneously Boris Nikolayevich never tires of terrifying people (in the event that he is not reelected) with forced expropriations, hunger, and civil war, keeping modestly mum in the meantime as to who can actually unleash it.

3. A series of meetings with his rivals in the upcoming elections, designed, on the one hand, to create the impression of tolerance toward them as well as a desire to conduct the struggle by civilized methods, and, on the other, to sound them out as to their possible voluntary withdrawal (which would be formalized as a "coalition") with a guaranteed "payoff" in the form of a high post or of much-invoked bank notes in particularly large sums — whatever they might prefer.

At the same time, Russian society has been now and again reminded with touching care of a backup scenario. Who, I ask you, can believe even for a second that the commander of the Moscow Military District, let alone the chief of the Presidential Security Service, would dare urge vociferously, for the whole country to hear, a delay of the election for an indefinite period without receiving in advance an authorization to say so from the president himself? Possibly this is the reason for which Yeltsin's electoral platform has not yet been made public (and that with his analytical structures!), nor has even a tentative lineup of the future cabinet of ministers been announced. There is no rush....

In any case, one thing can be predicted with absolute assurance: Boris Nikolayevich will yet spring some surprises on us within the remaining month.

Russia: Zyuganov Answers Concerns Voiced by Voters

MM1505092796 Moscow SOVETSKAYA ROSSIYA in Russian 14 May 96 p 3

[Unattributed interview with Communist Party of the Russian Federation leader Gennadiy Zyuganov under the "Dialogue With the Voter" rubric: "Straight Answer" — from the "Voter" section]

[FBIS Translated Text] [SOVETSKAYA ROSSIYA] Many of our politicians and media are warning that if you come to power the country will turn back to totalitarianism, democratic freedoms will be trampled underfoot, and the West will be forced to take measures to isolate Russia. What would you say about that?

[Zyuganov] People say this when they are given an order to frighten the voter with the prospect of the "communist danger" and all kinds of "imminent totalitarianism." But the facts testify that what we have in Russia today is presidential authoritarianism which has attempted at least five times in the last five years to evolve into the most overt dictatorship. I have in mind all the attempted coups d'etat (successful and unsuccessful). The first was the events of August-December 1991. Then the abortive attempts to dismantle the Congress of People's Deputies of Russia in December 1992 and March 1993. Then the bloody days of October 1993, which culminated in the shooting up of a legally elected parliament. And finally the March 1996 crisis involving the attempt to "close down" the State Duma because of parliament's "anti-Belovezhskaya" decrees.

Surely tanks firing on parliament, soviets being dissolved, and patriots being thrown into prison constitute an outrage against all democratic freedoms? And what about the Chechnya carnage? Surely it is clear to everyone today that it is nothing but a laboratory for breeding a criminal dictatorship in Russia?

And who has been fighting all the time for real rather than rhetorical democracy? We call it people's power. Who has consistently spoken out for the preservation of parliamentarianism in the country, against all kinds of bans and curbs on opposition activity, against the tyranny of the executive branch, for the preservation and restoration of a system of social guarantees for the people? There is only one answer — Russia's people's patriotic forces.

As for the Western measures to isolate Russia which are being predicted, I am convinced that there are many sensible people abroad who would simply not go in for such steps on the basis of their own national interests. And I hope that others have enough imagination to stop talking to Russia like a stepdaughter if we come to power.

[SOVETSKAYA ROSSIYA] Does the patriotic bloc have a constructive program for extricating the country from the economic crisis?

[Zyuganov] The main provisions of our program for overcoming the economic crisis boil down to the following: the intensification of state regulation of a generally mixed economy, and also of wholesale and retail prices in the interests of the people; wholehearted support for Russian commodity producers, particularly infrastructure sectors of industry and agriculture; the creation of the necessary conditions for the accelerated development and effective interaction of various forms of ownership; the implementation of carefully prepared measures to resist the expansion of the dollar, strengthen the ruble, and bring the forgotten kopek back into circulation; and the repayment to the population of the labor savings illegally taken away from them.

Getting out of the crisis will not be easy. It will require intensive work by the people and the mobilization of all resources.

[SOVETSKAYA ROSSIYA] In other words, you are urging turning back to socialism?

[Zyuganov] It is not only my view; the entire history of mankind in the 20th century demonstrates that it is necessary to move **forward toward socialism.** And in the process we must not abandon the positive experience of the past but, closely and critically analyzing it, make better use of it.

It is well known that ideas for a society of social justice emerged long before Marxism and that supporters of various ideological concepts, from Christian socialists to anarchists, have been interested in implementing them. The socialism built in the USSR and a number of other countries was far from perfect, of course. Serious distortions were caused by various external and internal, objective and subjective factors. But despite this, it really demonstrated its historic achievements: The socialist system enabled us to create a powerful state with a developed economy. We were the first to go into space. Our culture flourished in a unprecedented way. We were proud of our great achievements in science, the theater, cinema, education, music, ballet, art and sculpture, and literature. A great deal was done to develop physical culture and sports and people's creativity. Every citizen of the USSR had a real right to a job, free education and medical services, and a comfortable childhood and old age. Big budget subsidies were allocated for housing, children's goods, school requisites, and so forth. People were confident in the future. Our country and others were in practice implementing an alternative to capitalism which showed the historical soundness of the socialist path of development.

Even our ideological opponents cannot understand why we ourselves destroyed something which was working well.

Of course, **we are urging a renewed socialism** which is free of deformations and fatal errors and which incorporates all the progressive things which mankind has devised in the modern era.

[SOVETSKAYA ROSSIYA] So why did the people abandon socialism so easily in 1991? What was the Soviet Union destroyed overnight?

[Zyuganov] This is probably one of those questions which many generations will try to answer. Let me express my view, which is buy no means all-embracing.

First and foremost I believe that **our people never abandoned socialism.** They were simply misled by demagoguery and false promises. Remember Gorbachev's and Yakovlev's vocabulary of the last 10 years. They used to say "More democracy means more socialism"; "For socialism with a human, democratic face"; "Perestroyka is the continuation of the cause of Great October"; "The reforms will raise Russia to the level of a modern civilization"; and so forth. Everything that was done under these and similar slogans was seen by the people not as destroying but as improving socialism. Especially since these slogans were proclaimed by people who enjoyed the trust of the party and the people, the country's top leaders, who we were used to trusting.

It has to be remembered that during the Great Patriotic War and the postwar period of restoring the national economy the Soviet state faced immeasurably greater difficulties than in the late eighties and early nineties. But at that time the country's leadership was equal to the task. In the 1980's phenomena of an opposite nature were observed.

The majority of people, being disoriented, accepted the populist demagoguery as the expression of the will of a people unhappy at the slowdown in the rate of economic development and the bureaucratization of the state apparatus. The party's monopoly of power (the partyocracy) and the diminution of the soviets' role led to millions of citizens being shut out of active participation in the administration of the state.

It is now clear that the decisive role in the destruction of the country was played by the subjective factor: the weakness and incompetence of the then leadership; its cowardice, which developed into outright treachery; and the degradation of a considerable proportion of the ruling elite.

It is now no secret to anyone that the crisis which developed in the leading elite as a result of an unscrupulous power struggle was skillfully exploited by foreign special services and ideological centers.

The defeat of socialism was also promoted by objective factors. It was unable to actualize its advantages in the most important spheres — boosting labor productivity, increasing ordinary working people's prosperity, and developing their creative activity. Finally, we were locked into a debilitating arms race as a result of which the long-standing status of someone trying to catch up in economic competition gave rise to a kind of effect among the population of wanting to emulate the more affluent West.

[SOVETSKAYA ROSSIYA] In the event that you come to power, will you abandon the market economy?

[Zyuganov] The term "market economy" has become extremely compromised. I prefer to talk about a **mixed economy** developing in accordance with objective laws in the forms most acceptable to our people.

Russian reformers, who blindly preach the values of Western liberalism, which has demonstrated its limitations even in the conditions of contemporary Western-model capitalism, have abandoned the planned running of the national economy. Whereas capitalism has borrowed and made successful use of our experience while making its own adjustments to it. For example, Japan successfully applies 2,800 material balances in its "plan-market" system. This system is effective in South Korea and certain other countries. The experience of China, where market regulation is combined with state planning, is extremely interesting.

Wile making use of the methods of planning and state regulation of a mixed economy we must not forget the negative aspects which were manifested in the USSR. State regulation should be effected primarily through investment, the credit and tax system, pricing, and other market mechanisms, not exclusively through administrative levers.

[SOVETSKAYA ROSSIYA] The ruling circles regard the solution of the problem of waiting lines and empty shelves as one of their indisputable achievements. After all, virtually everything is available in the markets and the stores. You don't have to waste time shopping or track down degrading "string-pulling options."

[Zyuganov] Virtually everything is indeed available in the trading network. Particularly in high-class stores the range of goods is astounding. But what lies behind all this?

Look at the shoppers. Most of them go into a store with an empty bag and come out with an empty bag too. They don't have the money to buy the products on show in the windows.

A loaf of bread used to cost 18 kopeks. Bread now costs more than 2,000 rubles [R], and wages don't get paid for six months or more. The purchasing power of people on average wages and pensions has shrunk 15-fold in terms of the equivalent cost of bread. But now 45 million people do not even have an average income.

While talking about a Communist comeback, people like Gaydar have already managed to literally tear the guts out of our Russian market, empty the pockets and purses of most Russians, and still build up debts which future generations will have to pay for.

[SOVETSKAYA ROSSIYA] Have the patriotic bloc's supporters tried to prevent the theft of the nation's property, if only through their representatives in the State Duma?

[Zyuganov] Back in 1994 the CPRF faction in the State Duma resolutely opposed the transition to the second stage of privatization, so-called money privatization. Chubays' and his Western consultants' idea was that the bulk of our citizens would be excluded from privatization at a stroke. Even the stage of so- called check or voucher privatization, which they themselves organized and which, as you will recall, was based on a **deception** — that one voucher equaled two Volgas [cars] — went by the board.

The draft law on the second stage of privatization did not make it through the Duma. Unfortunately the president forced through privatization with the aid of his edicts.

[SOVETSKAYA ROSSIYA] Do you have precise information that Russian wealth has already fallen into the hands of foreigners?

[Zyuganov] Nobody has all this information. From the beginning of privatization the previous system of recording and keeping strict statistical records on changes in property rights was destroyed.

Handing over rights to own shares in Russian enterprises, particularly in the defense complex, and selling deposits of useful minerals and other national assets have become the most rapacious form of mortgage payment for growing foreign debts. In the view of many foreigners, money in Russia is being literally dumped in a pile on the ground and you can grab without risk your share of the comprehensive plundering of a once rich and well equipped country.

During the buying up of enterprises in the power industry, electronics, aircraft and missile building, oil extraction, mining of gold and valuable and also rare-earth metals and minerals, maritime transport, and ports their real value is understated by tens, hundreds, and thousands of times. There is no stipulation for purchasers to declare their incomes. It has been noted in even official documents that by the end of the first stage of privatization 500 major privatized Russian enterprises with a real value of at least $200 billion were in fact sold **for a song** (approximately $7.2 billion) and ended up in the hands of foreign companies and their dummy structures. In particular 77 enterprises in the metallurgical sector, 85 in machine building, 66 in the oil sector, and 65 in the chemical industry were sold cut-price.

The Russian special services cite even more disquieting facts. The country has essentially been turned into a "washing machine" for the laundering of drugs dollars and other criminally acquired capital.

But those who have plundered or continue to exploit Russian riches for their own benefit naively believe that people in our country are unable to distinguish between private and stolen property. There are ways within the framework of existing law to restore order even in this sphere if the property stolen from the people is not used by its new owners for the benefit of Russians.

[SOVETSKAYA ROSSIYA] In the event of victory in the presidential elections will the representatives of the people's patriotic bloc make changes of their own to the privatization process?

[Zyuganov] The fact that privatization in Russia is accompanied by criminal errors is now recognized by everybody. Mayor Luzhkov of Moscow called it the **scam of the century** on the "Face the City" program. The consequences and future course of privatization will undoubtedly be modified and rectified, but exclusively in the interests of citizens and particularly of labor collectives. I am confident that a modern mixed economy must be created not by destroying productive forces but by augmenting the ones which already exist.

We advocate the effective protection of the economy which really exists in Russia, in which there will also be room for a powerful state sector and both collective and private ownership, including of property belonging on a legal basis to foreign investors. But we are categorically opposed to today's unruly market, where corrupt officials, the mafia, and foreign speculators have become the owners of the people's affluence and criminal manipulators who build financial pyramids and rob the trusting Russian citizen blind call the tune.

In our view, the way out of the crisis lies via the differentiation of rights to own privatized enterprises. Their main owners must be the people who work (or have worked) there. All other citizens can freely invest their money in them — that is, they can become coowners.

World experience shows that it is a mistake to absolutize the idea of privatization. An upsurge in the economy is not always achieved by dividing up property. The main thing is to boost efficient production capacities, including by attracting additional sources of finance, which opens up opportunities for expanding the range of products and creating new jobs.

As for enterprises which have already been privatized and are operating efficiently and producing output needed by the country, nobody should prevent them continuing to work that way. On the contrary, we will encourage them in every way.

[SOVETSKAYA ROSSIYA] What in general is your bloc's attitude to private ownership? Many people are scared that if Zyuganov comes to power it will mean good-bye to your privatized apartment, your garden plot dug by your own hands, your savings invested in the shares of reputable companies, "shuttle" trips abroad, and so forth.

[Zyuganov] This kind of anxiety is being specially whipped up. If millions of Russians have become **owners** of private property why should we seek to expropriate or, to use a Russian term, de-kulakize them?

The new government will preserve whatever has been honestly earned, acquired, or accumulated. We guarantee the inviolability of earned private property created not by exploitation, theft, or deception but by people's own honest labor or the labor of their kith and kin. The only thing which we will oppose, while resorting exclusively to lawful means, is the transformation of private property into the source of any monopoly or a means for the illegal exploitation and subjection of other citizens.

So there can be no question of deprivatizing apartments and expropriating garden plots. Private ownership is perfectly admissible in farming, the service sphere, trade, and small and medium production and business. In the developed countries of the world many forms of ownership live harmoniously on precisely such a basis and also complement each other in other spheres. The monopoly private ownership typical of the 19th century has not existed in the majority of countries for a long time.

[SOVETSKAYA ROSSIYA] People are being intimated with the prospect that the people's patriotic bloc, on coming to power, will find some presentable-looking pretexts like stabilizing the economy or fighting the mafia to start reprisals against political opponents ands dissidents. And then civil war will be inevitable.

[Zyuganov] For the umpteenth time I solemnly state that we are against civil war and will not tolerate it; we support all who wish to work honestly to augment the nation's wealth and their own affluence. There will be no persecution for political motives or ideological reasons. We are resolutely opposed to repression and historical vengeance. A multiparty system and a truly democratic form of social setup will be established in Russia. And who remains in power will be determined by the people in free elections.

Russia: Zyuganov Interviewed in Presidential Election Broadcast

LD1405110296 Moscow Radio Yunost in Russian 0410 GMT 14 May 96

[Interview with Gennadiy Zyuganov, leader of the Communist Party of the Russian Federation and presidential candidate, by unidentified correspondent — date and place not given; recorded]

[FBIS Translated Text] [Zyuganov] As far as our party is concerned, it stands out for a number of substantial reasons. First of all, it is a party that operates strictly according to the rules and the law and is subordinate to the law. Our party recognises the need for a diversified economy in which all forms of commercial activity exist and collective and private and state ownership are supported, as long as they too operate strictly within the law, pay their taxes, and add to the national wealth and their own well-being.

Our party advocates a multiparty system, that is, competition with each other. We have our opportunity to present our program and team to the electorate, and let the voters choose for themselves which course and which policy they like best. At the same time, we say bluntly that proper governance is impossible without democracy and popular power. Therefore, we insist that there should be all forms of popular representation from the bottom to the top. And we will continue to stand for this.

Therefore our party has its agenda, it looks to the next century, it has enormous popular support. It has over half a million members, it publishes dozens of newspapers and magazines, and has become the backbone of a popular-patriotic bloc supported by nearly 25 million voters in the elections of December last year. That is, it is a solid organization whose word carries weight in the country and will be listened to.

[Correspondent] The communists' bloodless departure from power in the early 1990s is attributed mainly to their lack of support for private ownership. But over the past few years, over 60 percent of the means of production, finance, trade, real estate, and so on have passed into private hands, often illegally. This is a well-established fact. But according to official propaganda, if the popular-patriotic candidate wins the presidential elections, then wholesale nationalization or a carve-up of property will begin.

[Zyuganov] I'm well aware that any change of power or ownership will result in confrontation. The present situation, we think, is catastrophic. Any further moves backward, and we will fall into the abyss. If you start taking things away tomorrow, then I can assure you the result will be turmoil worse than in Chechnya. So our viewpoint is that we must form a diversified economy that rests on what there is today. If privatized enterprises pay their taxes honestly and properly, and uphold their state in a worthy fashion, then we will encourage them. But we have enterprises which were privatized and then closed down. In any other country, they would ask how to get them to work better. We need to look at that. And sometimes they are simply destroyed. But we must bear in mind that we have a traditional basis for our economy: the industry founded by Peter the Great was largely of a state nature. Tsar Nicholas II raised over half of his money from state enterprises. Huge expanses of our country are cold, I mean the Polar areas. The so-called free market cannot function there. Instead, there must be a regulated system. Therefore state regulation should be designed to encourage the producer, [words indistinct] to support their talents, the students, the engineers, the researchers and the entrepreneurs so that their places are assured and they enjoy the state's support. At the same time, they should be protected from racketeers and benefit from policies that expand their markets, as is done in the West, the East, and the South.

That is what state policy is all about. So we are not planning to carve it up or take it away. We are talking about a wise policy of state that would ensure a sensible blend of all forms of enterprise.

[Correspondent] If there is to be no wholesale nationalization or collectivization or equalling out, then how will you ensure social justice? How do you intend to achieve an economic upturn and where will you find the money?

[Zyuganov] We want to see a sensible blend of various forms of ownership and commercial activity. About the state: the state should be a worthy and serious owner. It should govern its own property and its own business and not simply be a collector of taxes. In a state, there should be a form of ownership making it possible to protect the children, heal the old, provide social and cultural amenities, develop infrastructure, develop remote regions where we have most of our natural resources. This is what the state should do. It should ensure a dependable army and uphold law and order. To do this, it should own or have a controlling interest in the energy sector, the military-industrial complex, the railroads, aviation, fundamental science, and the education system. The state can replenish its incomes from the huge amount of hidden money which [words indistinct] Our state has enormous assets abroad — over a hundred billion [denomination not specified] — and I think that is a very conservative estimate.

Our state has its external debtors. We are owed nearly 150 billion, a great amount. And some of them are quite capable of paying us back in goods, materials, and so on. That is, the state has many sources of revenue if it can only impose order and is able to perform its functions.

At the same time, the state should not pressurize producers but encourage them as much as possible, including small and medium-sized businesses and large corporations. It should help them expand their sales markets, give them incentives, attract investment and direct this investment so that it benefits our children and grandchildren and the cause of science and research, and not the war in Chechnya, drunkenness, thieving, and the high life for bankers.

[Correspondent] Some media outlets and individual politicians are predicting terrible consequences if the elections are won by the national-patriotic candidate. They say even that if he wins, Zyuganov will declare a general amnesty for criminals to empty the prisons in readiness for his political opponents and their supporters.

[Zyuganov] Proper democratic development is impossible without political competition and opposition. The CPSU rotted and fell apart because it just could not remove from office a general secretary [word indistinct] who sold it out and betrayed it. Also, and fully aware of that, we have prepared a law on political opposition. This law provides guarantees for [?opposition] activity and state protection for this, even for criticism. Everything must be subordinate to the law, from the ordinary man in the street to the president. There can be no [words indistinct] or promises on this: verdicts reached by courts on the basis of the evidence submitted must be strictly complied with.

For example, we are ready to sit at the table, discuss the existing situation, and sign an agreement, under which we will strictly adhere to all laws and rules and abide by the people's decision in the elections.

We guarantee that there will be no persecution of anyone, on political or legal grounds. Enough of the fighting and score-settling. The country needs accord and peace, and calm and proper work. So we will do everything we can to support those who are governed by just three considerations: Russia, the homeland, the people. Thank you.

Russia: Zyuganov Visits Convent, Nuclear Center in Nizhniy Novgorod

LD1405124896 Moscow NTV in Russian 1800 GMT 13 May 96

[From the "Segodnya" newscast]

[FBIS Translated Text] Gennadiy Zyuganov today made an unusual visit. On the second day of his stay in the Nizhniy Novgorod Region, he visited the Diveyevskiy convent, now one of the largest cloisters in Russia where the relics of the Venerable Serafim are kept. The Communist leader made a tour of the convent in the company of a tour-guide and then entered the temple. It was noticed that Zyuganov did not cross himself once during the service but he did touch the sacred relics with his hand. Far from every parishioner was delighted by the presidential candidate's visit. The Diveyevskiy convent is still under restoration. It was almost totally destroyed by the Bolsheviks. Old inhabitants tell how nearly 400 novices [posluzhnitsy] were shot here in 1921. Those who escaped death were sent to prison. To this day Margarita, a 95-year old nun living under the vows of schema, lives here and recalls those awful days.

After visiting the local sights, Zyuganov held a rally here at which he continued to drum up support for his candidacy. This time, there were no slogans and just over 1,000 people gathered on the central square. He was aided in organizing the action by the local head of administration.

Zyuganov then headed for the closed nuclear center of Arzamas-16. As soon as he arrived he entered Andrey Sakharov's home where he laid a humble bouquet of lilac at the memorial plaque. He said that he was visiting the center because of his concern for Russia's nuclear security.

[Begin Zyuganov recording] The problems of Russia's security are now more acute than ever especially in connection with arms cuts. We are against confrontation. We are against sabre-rattling. But we want to keep the best scientific personnel. [end recording]

The Communist leader's concern, however, did not stop him recalling the main thing: the election campaign. Having met the management of the nuclear institute, he organized a second campaign rally.

Zyuganov went to the nuclear center Arzamas-16 in Nizhniy Novgorod Region without his chief aide, Mikhail Lapshin. The Agrarian Party leader went to villages to see that the rural people voted for a single opposition candidate. They will get together again this evening to continue the electoral campaign in Kirov Region tomorrow.

Russia: Zyuganov, Fedorov Interviewed on Presidential Election

LD1405150996 Moscow Russian Television Network in Russian 1807 GMT 11 May 96

[From the "Double Portrait" program; hosted by Artem Borovik]

[FBIS Translated Excerpt] The heroes of today's program have nothing in common, except their desperate attempts to become Russian president at the upcoming election. In everything else, they are diametrically opposed to each other. They speak the same language and use precisely the same words, like: Russia's interests, happiness, democracy, and progress. But they understand them completely differently. The drama of this situation lies in the fact that exactly the same can be said of those millions of voters who support each of them.

It's difficult to judge the age of this man from his face. [Video shows picture of Gennadiy Zyuganov] He has a rather worn appearance. As the years pass, he becomes increasingly bulky. From behind you could take him for a heavyweight boxer. He has a thorough, mathematical mind. Strange as it might seem, he is vulnerable despite his superficial confidence and tough character. However, as he grows older, he has learned to bottle things up deep inside himself. He cannot abide Boris Yeltsin. He is a persuasive person, although he himself will accept a reasoned argument. He is a professional politician. In spite of his age, he has an agile, impressionable mind, but he is exceptionally persistent in achieving his goals. He is receptive to new ideas if he sees practical worth in them. Sometimes he is irritable, but this passes quickly. He is a declared workaholic. By nature he is trustful and too frank. So, he is vulnerable as a politician. He can improvise in a crisis. Gennadiy Zyuganov and Svyatoslav Fedorov are the subjects of our "Double Portrait".

[Begin recording] [Borovik] Have you ever met Zyuganov personally?

[Fedorov] Yes, he visited our center and saw our model of popular socialism or popular capitalism, however you like to call it. I think he liked it. When people manage themselves, on the basis of self-government, decide what to do with the money that they earn, when they participate in the creation and earning of this money, this is, I think, exactly what Marx was always writing about. He wrote that hired labor created the possibility of exploitation. There should be the labor of free men. Marx said that the means and instruments of production must belong to those who work with them. This is logical. He said there should be no levelling-down in socialism. He said that everybody should give according to his ability and receive according to his work. So, I told Zyuganov that I am a real socialist, but you are calling for a kind of socialism that is really state capitalism. We had this before and now you want to bring it back. So, I am a real Marxist, but who are you, Gennadiy Andreyevich? Are you a Marxist? Or are you simply a capitalist in disguise?

[Borovik] What did he say?

[Fedorov] He agreed that it was an interesting model, that it needed some thought, but basically avoided giving a direct answer.

[Borovik] What was your personal impression of him?

[Fedorov] He is a very cautious, intelligent person, a very good politician of the Leninist type, I would say. Today they are pals with the Mensheviks, but tomorrow they may fall out. Today the SR's [Socialist Revolutionaries] are fine fellows, but later they may get round to shooting them when they are no longer needed. So I think that he is indeed a good politician, as everybody says, the kind of politician who will be friends with you and pay attention to you today. But tomorrow you may end up shooting or killing each other.

[Borovik] Gennadiy Andreyevich, you visited Svyatoslav Fedorov's institute. Did you go there to make the acquaintance of a potential president or to learn about his social ideas — which are rather different from your ideas?

[Zyuganov] It was very important for me to see what has become of that venture which he conceived a long time ago. To be honest, the Soviet state helped him a great deal in those days, gave him over $100 million and even more in rubles. He used this money fairly well, taking advantage of all the opportunities offered by people's power, as it was then.

Today his enterprise operates in a different way. Here in Moscow it works fairly well, even though the hotel is empty and is suffering the same difficulties as many others.

[passage omitted] [Borovik] Why do you think Fedorov's popularity and his chances of becoming president are so small compared to the leading candidates, judging by opinion polls? After all, his ideas are quite popular and democratic.

[Zyuganov] Politics is a special sphere. At least five or seven years are required for a candidate to enter mass consciousness, become its indelible part. On the other hand, success in one field does not necessarily ensures success in others. Politics is a broader sphere. And then there is yet another specific feature. Our citizens seem to understand intuitively that when someone is 67 or 68 it's difficult to hope for success even if his election campaign is very interesting. [passage omitted]

[Borovik to Fedorov] In one of his stories Tolstoy writes: an old man of 45 entered the room. You are slightly older. How do you see your age? Are you at the peak of maturity or already at the following stage?

[Fedorov] I believe that I am in my middle years because I am still gaining speed. I am still working increasingly intensively, and the fact that I have gone into politics....[pauses] I enjoy dealing with it because this requires energy. In my estimation I can carry on being as active as I am now for another 10-15 years. After that my activity will decline, naturally. [passage omitted]

[Borovik to Zyuganov] Do you feel that Russian special services are showing particular interest in you? In other words, have your telephones been tapped? Are you being shadowed?

[Zyuganov] After I was elected a State Duma deputy, I came back home, lifted the receiver and said: Well lads, now that I am a deputy it is no longer harmless to eavesdrop on me. They said: all right, we will report that to our bosses.

[Borovik] You said it straight into the receiver?

[Zyuganov] Yes. But it looks as though they are still making their report. They are eavesdropping on a regular basis; they do not seem to have hi-tech equipment, and it is a costly business to boot. A car is always near by, and teams [of security men] are changing shifts under my window. But we have found an antidote. First of all, I spent five years dealing with the same services, the army, state security, the courts and the militia. I knew and know all those who are professionals in this business and know the methods used in it. We too have taken pictures of those who follow us in the car or constantly keep a watch here. So I don't think they enjoy it very much. On the other hand, if before only one special service had the right to eavesdrop, it is believed that about 10 of them have this right today. And it's even difficult to calculate who issues permissions [for tapping] and how. In other words, it's absolute arbitrariness.

[Borovik to Fedorov]. Do you think that your telephones are being tapped?

[Fedorov] No I do not think so. You see, I believe that for the time being they do not even take me seriously to that extent, perhaps, because they believe that indeed I am ahead of my time in what I do, and clever politologists are likely to regard Fedorov as a present-day romantic, as it were. He may have his ideas which could become reality in the future but his time has not yet come and the people doesn't understand him. That's why, it appears, I'm not being taken seriously.

[Borovik to Zyuganov] When did you meet Yeltsin for the first time? Do you remember that day and hour, when did it happen, how many years ago?

[Zyuganov] I knew him in Sverdlovsk.

[Borovik] When he was first secretary [of regional party committee].

[Zyuganov] But what I remember was not, perhaps, very nice.

[Borovik to Fedorov] Have you had meetings with Yeltsin?

[Fedorov] We had meetings when he was coming to power in 1991, 1990. Later I was, for some time, member of the presidential council which, in my view, was of no importance then and is of no importance today. It is nothing but a token body. But all those meetings were depressing for me because no conclusions were drawn from those meetings. Members of the intelligentsia would get together, speak beautiful words, Yeltsin would listen and say nothing in reply. So nothing was clear: have you spoken or not, have your ideas been accepted or not, have your interlocutor agreed with you or not. [passage omitted]

[Borovik to Zyuganov] Has your attitude to God and Christ changed over the past 10 years or has it remained as it has been, say, for the last 15 years?

[Zyuganov] No, deeper understanding of life comes with years. Philosophy and theory of ideology are my principal areas of specialization. I wrote my doctorate on philosophy of politics. The theory of ideology requires thorough knowledge of all religious texts. So you should not be surprised to see here the Bible and the Koran; I have a many-volume exegesis of the Bible. I have studied all this very thoroughly and believe that a cultivated and educated person should know this. For instance, it was a revelation for me that many sayings and proverbs as well as many literary plots and even those from the Soviet period have a lot in common [with the Bible]. When I read Christ's Sermon on the Mount and the moral code of the builder of Communism I noticed that they were written about the same thing, albeit using different vocabularies. [passage omitted]

[Borovik to Fedorov] Tell me, are you not afraid of taking upon yourself such a huge responsibility of power if you win? If you become leader of practically one-seventh of the whole world? Are you not afraid of such an idea?

[Fedorov] No, after all today I manage 4,000 people and I think the main thing is not that I manage. I have created a system which manages people.

[Borovik to Zyuganov] Are you not afraid to undertake such a gigantic responsibility, to become leader of practically one-seventh of the world?

[Zyuganov] You are absolutely right. When people started coming to me at the beginning of January and asked me let's get together, this is no gift to anyone, the country is in a most serious condition, and it can only be raised up by a strong, intelligent team, with the will. On the whole, everyone has his temptations. I know the whole country. Without the current chaos it could become very rich and quite quickly. On the other hand I study the causes of our troubles in Russia. I feel in my bones that if we do not stop it now it will be too late for us and the cost to all will be extraordinarily high.

[Borovik] Are you not afraid to become a puppet in the hands of your team? It is made up of powerful and, incidentally, little known people. This has happened even to very strong people, very strong presidents. [passage omitted]

[Zyuganov] No, I am not afraid at all. I have been offered huge privileges just to [laughs]. I have been offered a good enterprise just to give up politics.

[Borovik to Fedorov] Are you not afraid of becoming a puppet in the hands of your team if elected — after all, this has happened even to strong people when the team became the real ruler and not the man?

[Fedorov] You see, if I lay down the main principle that the man is the basis of statehood and not the army or some bureaucratic structure then it would be difficult to make me or any normal person a puppet. You can make someone a puppet who is either afraid of his team or can be bought by his team. I cannot be bought because I have completely satisfied my needs. I have a nice house, two cars, a lovely wife, lovely children, a huge bit of land where we can make our infrastructure. How can I be bought?

[Borovik to Zyuganov] Is there any event or action in your life that is unpleasant for you to recall? For which you have a sense of shame or repentance?

[Zyuganov] [passage omitted] Perhaps I should have displayed more persistance and toughness at the crisis of events in 1989-90 when it was clear to me and my colleagues what it was leading to and we lacked a certain amount of character to be tougher in posing the question that the present rulers should go at any cost otherwise they would lead the country to what they have led it to. [passage omitted] [end recording]

Russia: Zyuganov's 'Mediocre' Attributes Examined

964F2115A Moscow NOVAYA GAZETA-PONEDELNIK in Russian 6 May 96 No 16, p 2

[Article by Sergey Kozheurov: "The Season of Chiefs in Russia Has, It Seems, Dragged On: Not Every Mediocrity Is Brilliant"]

[FBIS Translated Text] Much has been written and spoken about Gennadiy Zyuganov as of late. But all dutifully, as it were. The point being that one of the most probable winners of the presidential elections is, as a personality attracting or repelling by his personal attributes, inferior to just about all well-known politicians—both rivals and associates. There is in him nothing of the "big fellow" laying claim to the role of conscience of the nation or its evil genius. Neither charisma nor odiousness nor the expansiveness and unpredictability dear to the heart of the ordinary Russian.

You can take whatever view you like of the ideas he presents on today's political stage, but you cannot hate the person himself, Gennadiy Zyuganov, and it is impossible to admire him either. It is never said about him: "Our man, I have heard, did something odd...," whatever meaning is invested in this. Simply because he does nothing "odd."

"President Zyuganov" would not for anything in the world sleep through an important meeting at some overseas Shannon. He would not conduct an orchestra, even his own, presidential, orchestra. He would never say: "Where, but to me, can they, the patriots, go?" And he would never climb onto either a tank or an armored car.

Generally speaking, nothing outstanding. Neither God nor tsar nor hero.... But it was Gennadiy Zyuganov whom a colleague of mine called the most enigmatic figure of our troubled times. In the sense that a totally unknown party apparatchik, someone who comes from the second echelon of the party nomenklatura, has come to be promoted to the leading parts, having gotten the better of more striking personalities.

Although there is an explanation for precisely this circumstance.

Keep Your Head Down!

Gennadiy Zyuganov was born on 26 June 1944 in the village of Mymrino in Orel Oblast. The name of the village, not, indeed, the most sonorous, is necessarily mentioned by journalists whom it is hard to suspect of affections for the leader of the CPRF. As also the fact that Yegor Stroyev, member of the last CPSU Central Committee Politburo and who is now presiding in the Federation Council, was born in that same Orel Oblast.

The "well-schooled son," in Makhmud Esambayev's definition ("his father was a teacher, his mother was a teacher"), maintaining the family tradition and simultaneously having worked as a trainee for a year at his own school, graduated, with a break for Army service, from the Physico-Mathematical Faculty of the Orel Pedagogical Institute, after which he did not return to the school, staying at that same higher educational institution to teach mathematics.

Gennadiy Andreyevich's current biographers and image-makers from the CPRF somehow specially emphasize the school, work at the higher educational institution, his training at the CPSU Central Committee Academy of Social Sciences, and the defense of his thesis for the degree of candidate of philosophical sciences (G.A. has been a doctor of philosophy since 1995), creating the image of a "well-schooled" politician. Although it is not at all hard to guess the kind of philosophers who have been trained at this venerable institution from the ranks of former mathematical physicists and rayon-level party ideologists.

But they do not parade the fact that Zyuganov graduated from another school, as the references of that time wrote, the "grand school of party and Komsomol [Communist Youth League] work." Secretary of a rayon party committee and first secretary of the Orel City Committee and Oblast Committee of the All-Union Lenin Communist Youth League. Secretary and second secretary of a city party committee and chief of the Department of Agitation and Propaganda of the CPSU Orel Oblast Committee.... Other sciences were taught at this school. An unwritten rule of the party nomenklatura was that if you wish to make a career, keep your head down! Be proficient, don't make a fuss, respect those with seniority.

Zyuganov's party and Komsomol biography, like the party and Komsomol references also, does not in and of itself explain anything, his present "embodiment in power" included ("We should not be exhibiting false modesty and saying for all to hear that we are not embedded in power"—from G. Zyuganov's report at the CPRF Central Committee plenum in January 1996). Because the biography of Zyuganov the functionary is similar to the biographies of thousands, and following his transfer as an instructor of the CPSU Central Committee Propaganda Department, hundreds of party apparatchiks.

But I would formulate as the most important law, which was assimilated, in preparation for the great goal, by the "well-schooled" nomenklatura official, as distinct from many others, as the "law of self-preservation."

The secretary for ideology of the Communist Party of the Russian Federation, which had been formed not long before, who signed the infamous "Word to the People," which became the precursor of the August putsch, learned about the putsch itself, as he himself testifies, during his customary morning jog. "I was running along, and I ran into a minister I knew: 'Gennadiy, you know what—a coup!' 'Where,' I asked, 'in Bolivia?' 'No, here'...."

But following the ban on the CPSU and the Communist Party of the RSFSR, Zyuganov was able to continue his political activity, which as of this moment assumed an increasingly national-patriotic tone. He came to head the Coordinating Council of National-Patriotic Forces in Russia and became part of the Russian National Assembly, but he did not get along with General Sterligov. He was a cochairman of the National Salvation Front, but did not work well (intuition?) with radicals of the Ilya Konstantinov and Mikhail Astafyev type.

Nor was Zyuganov among the defenders of the White House in October 1993. A couple of months later, though, he led into the Duma a revived CPRF, the chairman of whose Central Executive Committee he had become back in February, having united the majority of communist leaders.

Communism in Our Gena's?

Gennadiy Zyuganov was the first candidate to publish his campaign platform: The party's think tanks operate in the rhythm of good agitprop. But whoever were to search in it for similarity with the program of the CPRF would be making a mistake (formally Zyuganov is a candidate not of the party but of a so-called "popular-patriotic coalition"). The "communist idea," for example, is mentioned merely once, and that in an autobiographical preface, which defines the time of its appearance—more than 2,000 years ago, before the birth of Christ, that is. And if the Marxist-Leninist verbiage which the philosopher assimilated at the academy is present at all, it is only, evidently, in the minds of the contestant himself and some of his closest associates. As is also, incidentally, the "program maximum" with which General Varennikov so frightened the public.

Indeed, there are in the party, and now in the "coalition" also, various people, including inmates of Matrosskaya tishina and Lefortovo, who came to know all the charms of the "class struggle." And although the candidate's platform says: "We are opposed not only to repressive measures but also to historical vengeance," to totally discount the revanchist mood of a sizable part of Zyuganov's supporters would be rash.

As analysts note, for that matter, the "communist restorers," who had held prominent positions in the party leadership, ceded leadership a year ago, at the Third CPRF Congress, to the influential and well-organized group of "state supremacists," which is represented by Zyuganov himself, and also to the current of "social democrats" (Kuptsov, Seleznev, Shabanov, and others) which supports him. The leaders of the "irreconcilables," however (Lukyanov, Varennikov, Makashov), in accordance with all the laws of democratic centralism, prudently switched over to the side of the majority.

In addition, the people close to Zyuganov agree that the leader of the CPRF does not succumb all that easily to outside influence. His election as president would lend him clout in the party such that he would become inaccessible even to his closest entourage (this, incidentally, is altogether a singularity of a party "embedded in power." One further Gennadiy, Seleznev, for example, having become speaker of the State Duma on account of some tactical considerations, immediately "put on weight" to the point of becoming the "party No 2," practically).

But the role of party influence on the actions of the possible head of state should not, nonetheless, be precluded altogether. After all, the incumbent president's aides also maintain with one voice that Yeltsin always adopts all the main decisions himself. But it is his rule that has revived the talk, which is so popular in Russia, about the "good tsar and the evil boyars".... But it is not a question of personal attachment here, it is a question here of democratic centralism and party discipline pulverizing far more striking personalities.

Why Do the Communists Need a 'Strong Presidency'?

Six months ago they were promising victory at the elections in order to abolish the presidency. The platform promises to make the president merely "subject to control and accountable." They say among themselves at the party conference: "A strong presidency is needed."

A party "embedded in power" will not cut down the branch on which it intends to ensconce itself.

Meanwhile Gennadiy Zyuganov is growing accustomed to the role of leader. He has learned to be respectable and meaningful. He smiles as appropriate, he affects a severe demeanor as appropriate. He does not take offense, it is said, when a personal security guard calls him simply "chief." But he avoids direct questions, as before.

He is not a reformer and, it seems to me, is afraid of the upcoming elections. He is afraid of losing—of losing everything because his associates would not forgive him a loss. He is afraid of winning because, as a sober-minded individual, he most likely understands that without reformers, with his entourage of "yesterday's men," the country cannot be pulled out of the pit in which it has found itself.

Yeltsin needs to win the elections in order to keep everything as it is. Zyuganov, to change everything while changing nothing. Both need a "strong presidency." To remain in power.

We are being called upon to vote from expediency. For Yeltsin to bar the way to Zyuganov. For Zyuganov to stop Yeltsin. There is no choice: It is either, or.... But expediency consists of not choosing where there's no choice....

P.S. From the latest "gentlemen's 10 best."

Crocodile Gena complaints to Cheburashka:

"It is said that Zyuganov will become president."

"What's it to you?"

"To me, nothing, but it could spell trouble for our writer Uspenskiy."

"Why?"

"Why did he call the crocodile Gena?"

Russia: Yavlinskiy Explains Elections to Voters

LD1505124596 Moscow Russian Television Network in Russian 0450 GMT 15 May 96

[FBIS Translated Text] [Video shows an outline of an envelope with the words "An open letter to Grigoriy Alekseyevich Yavlinskiy" and Yavlinskiy's portrait then it shows Yavlinskiy speaking to camera in a studio] I am Grigoriy Yavlinskiy. On 16 June there will be a presidential election in Russia. What do we know about it? How will it be organized? What do we expect from it? What is it — a presidential election in Russia?

[Screen caption: "Presidential election, what is it?" Video then shows an old man sitting on a haystack by the roadside, captioned as A.A.Kotomin from Mikhaylovka village in Tver Region]

[Kotomin] An election? Why the heck do we need it?

[Old peasant woman standing outside a hut, captioned as V.N.Akimova from the village of Bolshiye Kozly in Kaluga Region] I think it's something about Yeltsin. We'll be electing Yeltsin, aren't we? I don't know.

[Middle-aged man in a street, captioned as V.I.Vopilov from the town of Ples in Ivanovo Region] Of course we don't know anything. We're being kept in the dark all the time.

[Young man wearing a leather jacket and sunglasses, captioned as Sergey from the town of Ostashkov in Tver Region] Elections? What can I say? It is when everyone has to use his own brain, sort of.

[Screen caption: "Presidential election, what is it?"]

[Begin Yavlinskiy recording] In our lives we all depend on our bosses, on the authorities. But once every four years the future of our bosses depends on us, because once every four years we elect president. The president is the boss at the very top in Russia. Under the law, the president can only be there if we elect him in the election. [end recording]

[Screen caption: "How will the presidential election be organized?" Video then shows a woman outside a house, captioned V.N.Tkachuk from the village of Bolshiye Kotly in Kaluga Region]

[Tkachuk] We don't know. No one's told us, and no one's asking us. We're being treated like sheep, we'll be herded there are told to put the paper in.

[Old woman trying to avoid the camera, captioned as R.K.Petukhova from the village of Foninskaya in Tver Region] Yeah, we'll go the election, what else do you want?

[Young woman in a street, captioned as L.Yu.Silina from Yaroslavl] Frankly, I do not know how the election system works.

[Man standing by a river, captioned as V.I.Shlyamov from Ples in Ivanovo Region] It would, of course, be useful to have it explained to us.

[Screen caption: "How will the presidential election be organized?"]

[Begin Yavlinskiy recording] You come to the polling station. You take your ballot paper, which has the candidates' names on it. You then choose the candidate you would like to support, to give your vote to. After that you put the paper in the ballot box. [end recording]

[Screen caption: "What happens to our ballot paper?"]

[N.A.Agafonova from Ples in Ivanovo Region] I think everyone would like to know what happens to our ballot papers. Most people have no idea.

[I.S.Ptichnikov from Kaluga] When they count the papers they can count it too. Do they trust me, or is someone checking it there? [passage as heard]

[N.N.Kovriga from Balabanovo in Kaluga Region] Well, we'll fill in the papers all right and put them in the box. Thing is, the counting will be done by someone's henchmen anyway.

[Screen caption: "What happens to our ballot papers?"]

[Begin Yavlinskiy recording] What happens to our ballot papers? At eight o'clock in the morning an empty ballot box is sealed up. No one, except the voters, has the right to approach the box until 2200 hours in the evening. After 10 o'clock in the evening the box is opened by the members of the electoral commission in the presence of observers who monitor the entire process. You too can become an observer and be present at the opening of the box and the vote count. [Screen caption: "You can become an observer."] The electoral commission establishes how many people have voted for this or that candidate. After that the results are sent to Moscow, to the Central Electoral Commission. The latter carries out the final count to establish how many people throughout the country have supported this or that candidate for the post of president of the Russian Federation. [end recording]

[Screen caption: "Our legal rights"]

[A.Makarov from Privolzhsk in Ivanovo Region] I've no faith in this election. Seems to me it's already been rigged, like.

[A.V.Burdin from Gavrilovyy Yan in Yaroslavl Region] I've no faith at all in these ballot papers. Whether you vote or not, they'll fix the result they need.

[A.A.Kotomin] [Laughs]

[Screen caption: "Our legal rights"]

[Begin Yavlinskiy recording] Many of us believe that nothing depends on us, that the outcome of the election is predetermined. This is hardly surprising, because some time ago, no matter if we did or did not vote, the result was always the same: 99.9 percent. [end recording]

[N.G.Nerekhchanina from Gavrilovyy Yan in Yaroslavl Region] All things said, we don't know about the election. We'll vote for whoever we'll be told to vote for.

[G.V.Bulakhov from Smolensk] Of course everything's been preplanned.

[V.S.Fedonenko from Smolensk] Here all around us you can see state and collective farms. There, voting is very simple. The chairman of the collective farm arrives with his retinue, as it were, gives each farmer a bottle of vodka and tells them who to vote for. That's it.

[Begin Yavlinskiy recording] It is very important that our choice should really be free. To ensure this, we have to know well all our legal rights. No one has the right to force us to vote for someone we do not want to vote for. No one has the right to check who we have voted for. We shall find legal means to curb any boss who forces us to vote for someone we do not trust. [end recording]

[Screen caption: "Can one individual make a difference in the election?"]

[A.I.Prytkov from Yaroslavl] I don't think it matters if I vote or not.

[G.V.Minina from Moscow] One vote does not make any difference.

[G.V.Bulakhov] One vote more, one vote less....

[Screen caption: "Can one individual make a difference in the election?"]

[Begin Yavlinskiy recording] Can one individual make a difference in the election? Yes, because if most people, millions of people, start thinking they can make no difference, then the Russian president will be elected by a minority, and the election will not be fair. [end recording]

[Screen caption: "Second round!"]

[N.F.Kulikov from Svapushche in Tver Region] No, I don't know either? What round? Why?

[I.V.Biryukov from Gagarin in Smolensk Region] No, there should be just one round, right?

[L.V.Kisilova from Fedenenko in Yaroslavl Region] Oh no, dear, I don't know anything about any round.

[Yu.A.Biryukov from Moscow] What is the difference between the third and the second round? There can just as well be three rounds of voting.

[I.S.Ptichnikov] Well, the second round, what can I say. Take Yeltsin, for instance. He's been there, he knows some things now, so maybe he'll do it better somehow in the second round. [as heard]

[Screen caption: "What is the second round?"]

[Begin Yavlinskiy recording] On 16 June you will cast your vote. In Moscow, at the Central Electoral Commission, our votes will be counted. Does that mean that when the votes are counted Russian will have a new president? Yes, but only if more than half of the votes are cast for one of the candidates. No, if none gets more than half the votes. [Screen caption: "Second round!"] So does that mean there will be no president in Russia? No. Under the law, a second round, or repeat voting, will be called, and we shall have to vote again. [end recording]

[Screen caption: "Who will take part in the second round?"]

[A.V.Popov from Privolzhsk in Ivanovo Region] No more than about four contenders will go on to the second round.

[N.Ye.Kharlamov from Ples] I think there'll be a few people.

[A.G.Pavlova from Moscow] Under what conditions or when the second round will be held, I do not know.

[Screen caption: "Who will take part in the second round? When will voting take place?"]

[Begin Yavlinskiy recording] Which of the candidates are to take part in the second round and when will it be held? The two candidates who get more votes than the others in the voting on 16 June will go into the second round, which will take place no later than 16 July. This is what the law says. [Screen caption: "Responsibility"]

Our choice on 16 June will determine our life for the next four years. With this choice we shall enter the next millennium. We should not forget that the choice we are making today is also being made for our children, who are too young to take part in the election. We are choosing a future for them. We have to make a serious choice. We have to, we really must, think well. We cannot choose out of spite, or because we are feeling hurt. Too much depends on our choice. No matter how difficult things are today, and even though it may seem that we cannot change anything, we must go and cast our votes, because there simply is no other lawful means of improving our lives. [end recording]

Russia: Third Force 'Very Unhappy' About Yavlinskiy Vacillation

MM1505095496 Moscow KOMSOMOLSKAYA PRAVDA in Russian 14 May 96 p 3

[Report by Dmitriy Babich: "Not Everyone Has the Opportunity To Fall at Someone Else's Feet Like Yabloko"]

[FBIS Translated Text] When presenting his election program presidential candidate Grigoriy Yavlinskiy said that President Yeltsin was "drifting further and further away from democracy" and ruled out any alliance with the president. At the same time, his Yabloko colleague, State Duma Deputy Yelena Mizulina, announced at a session of the Yeltsin supporters' action group that Yavlinskiy is in favor of "amalgamating democratic forces prior to the election." All this once again raises doubts about the Yabloko leader's consistency.

On 5 May Russian President Boris Yeltsin received Yavlinskiy in the Kremlin. During the conversation they considered the problem of a possible amalgamation of forces by the democratically minded presidential candidates to prevent the country's returning to the old regime. Meanwhile, the Yabloko movement's press service denied rumors that Yavlinskiy intended to withdraw his presidential election candidacy. The statement stressed that "Yavlinskiy has concluded no political deals either with Yeltsin or with Zyuganov."

On 6 May, in an interview for the "Itogi" program, Yavlinskiy stressed that he was concerned not with the problem of withdrawing his candidacy but with questions of "actual current policy and of a change of course."

On 7 May Grigoriy Yavlinskiy said that, when talking about the problem of amalgamating all democratic Russian presidential candidates, "you should not create too much expectation." That was his comment in an INTERFAX interview on Russian President Boris Yeltsin's belief that he can "amalgamate all the democratic Russian presidential candidates."

On 10 May Russian radio and news agencies reported the sensational news that in an interview with a foreign paper Yavlinskiy had agreed to join Yeltsin in a "coalition of democratic forces" to prevent Zyuganov from getting into power.

Yavlinskiy's press service and Grigoriy Alekseyevich himself have not in any way denied this report. Moreover, Yavlinskiy said in a BBC interview: "The question we will be discussing will be unprecedented in Russian history: A political coalition between the government and the democratic opposition."

On the morning of 11 May, during a three-day tour of the Volga area, President Boris Yeltsin said that he had reached a joint accord on joint actions in the election with all three representatives of the "third force" — Fedorov, Lebed, and Yavlinskiy. He said that "the threesome will join the presidential team."

On the evening of 11 May, in a whole series of interviews for Mayak, NTV, and a number of other media, Yavlinskiy said that he did not intend to join a coalition with Yeltsin: "The president's words to the effect that we have amalgamated are untrue."

Our Commentary

As we can see, Grigoriy Alekseyevich's view of an alliance with Yeltsin has changed repeatedly over the past week. This has made his partners in the "third force" very unhappy. "Yavlinskiy has contravened all of the accords concluded among 'third force' candidates by starting to flirt with Yeltsin," Levon Chakhmakhchyan, head of S. Fedorov's election campaign, said in an interview with KOMSOMOLSKAYA PRAVDA. "In such circumstances its continuing existence is impossible." Lebed also said that he would be acting independently in the election. As we can see, we will still have to choose between Yeltsin and Zyuganov....

Russia: Gorbachev Invites Candidates To Discuss 'Union of Four'

LD1405183296 Moscow ITAR-TASS in English 1817 GMT 14 May 96

[By Vyacheslav Bondarenko]

[FBIS Transcribed Text] ROSTOV-ON-DON, May 14 (Itar-Tass) — Mikhail Gorbachev offered economist Grigoriy Yavlinskiy, eye surgeon Svyatoslav Fedorov and retired general Aleksandr Lebed, the leaders of the abortive "third-force" alliance, to meet with him.

Addressing a crowd in the city park here later on Tuesday, Gorbachev said he had invited the three to meet on May 18-19 to discuss the forging of what he called a union of four, with himself added.

He said such an alliance would be sure to win two-thirds of votes of those who oppose both the current and communist regimes.

Gorbachev unfolded his platform in the forthcoming presidential election.

The burden of it is the need to stop further decline in living standards, propping up domestic producers and sacking half of the state apparatus.

On Wednesday, Gorbachev will travel on to the Stavropol territory, from which he rose as a Communist Party functionary.

Russia: Zhirinovskiy Addresses Young Russians by Radio

LD1405175196 Moscow Radio Yunost in Russian 1410 GMT 14 May 96

[Campaign address by Vladimir Zhirinovskiy, leader of the Liberal Democratic Party of Russia; place and date not given — live or recorded]

[FBIS Translated Text] Radio Yunost provides free air time for Vladimir Volfovich Zhirinovskiy, candidate for the post of Russian president, for his election campaign.

[Zhirinovskiy] I am very happy to be able to address young Russians, because very often they stay away from elections; however, the elections to be held in a month's time are very important for you especially. They will decide your future; they represent not a mere change of a team but a turning point. We will have three options: if you elect the current president again, everything will stay the same as it is now; if the forces of the left come back, they will bring back the things that your parents have loathed for many decades — and that was why they did not defend the CPSU and the USSR in 1991 and 1993. But there is a third option — if you vote for me, we will not have to go back, because I have never been a member of the CPSU and have rejected the ideology of levelling-out, lawlessness, and arbitrariness. But I cannot stand the current state of things either, because there is too much filth, blood, and violence. You can see this for yourselves since it is precisely you, young people, who are suffering. Tens and hundreds of thousands of young people have already died — the war in Tajikistan, in Chechnya, criminal gangs, emigration from homeland, and broken families.

Hundreds of thousands and perhaps even millions of young women have gone out on the street. I could see that during my foreign trips nearly all brothels in Western Europe are full of young Russian women today. Have our parents brought up their boys and girls for them to die in a war for someone else's freedom, to get involved in criminal activities, or to sell their bodies and souls? Prospects are needed. If today's regime stays or the left returns, you will have no prospects. You will not be able to get education, because you will have no money to pay for it. You will not get medical assistance or individual housing — and this is something young people need. You can say that you have already been promised that, but they have been dishing out promises non-stop! Throughout the 20th century they have promised you to build Communism, capitalism, or individual apartments for each family, but all these promises have not been kept. So ignore programs! All programs are good. They will all promise to end the war in Chechnya, but they will not. They will all promise to crack down on crime, but they will not. They will all promise stability and better living standards, but they will fail to deliver. You, young people, should trust me because, like your parents, I have made it through the hard school of life. At 50 I am in my prime; I am younger than Yeltsin or Zyuganov. At the same time, I have grown wise with experience, because I have lived for half a century. I am better educated than they: I have graduated from two higher educational establishments in the sphere of humanities, and this makes it possible for me to understand better the mechanics of dealing with people. I know the world; I speak foreign languages and have travelled around the world. I am specialist in oriental studies, law, and international affairs. I graduated from Moscow University with a first-class honors degree and University students know the value of education in this great establishment. I served in the army as an officer and know our army's needs. Many young people have become familiar with the problems that our army has, and I promise that you will stop being afraid of receiving call-up papers, because even without Chechnya or Tajikistan tens of thousands of young men die [3-second break in reception] and necessary measures should be taken here because our officers are deprived [3-second break in reception]. So everybody who is listening to me today — young officers, students, school pupils, and children [3-second break in reception] They see that their grandparents die prematurely, because there are no medicines.

Life is hard. Every day you see and hear reports on people being killed, subjected to violence or robbed, and houses burned down in your towns. Today when a greater flow of information is our sole achievement, you are aware of all that. So ask yourselves: Why is this happening? Why is the current leadership unable to put an end to that? Why did the Communists drive the country to such a state that it collapsed in 1991; a tragedy took place in 1993 and it is still in progress. After all, the Communists and democrats have brought about nothing but wars and revolutions, changes of Constitutions, and five monetary reforms without any improvement in living standards whatsoever. For 96 years [as heard] the country has been soaking in blood and dirt; it ends one war only to be drawn into another, after one revolution into another, and after a number of reforms the country starts a new stage. But the majority of Russian citizens are discontented and your parents' lives can serve as a proof. Talk frankly to your father and mother and in most cases they will tell you that their lives have gone the wrong way. They were cheated by both the Communists, who promised to complete the building of Communism as long ago as 1980, and democrats who promised a market, democracy, improvements, and glasnost, which in reality translated them into refugees, death of our people, diseases, famine, lawlessness, and arbitrariness. I receive hundreds of letters from Russians who cannot stay in Central Asia, the Baltics, Crimea, Ukraine, or Transcaucasus. They suffer humiliation over there; they have been deprived of their homeland. Look how our country is dwindling! October 1917 deprived us of the Russian Empire and our territory dwindled. In 1991, the USSR was split up illegally and once again we lost territory and people. And the number of wars! So you should understand why this is happening, why nine rulers of Russia failed to stop bloodshed and a slow slide into a catastrophe. Why are our young men constantly going to war? Why are their mothers constantly receiving killed-in-battle notices? Why is there no notion of father or grandfather? Where are our men? The average lifespan for men in Moscow is 56 years.

Theft, corruption, crime — how tired you must be of all that! Take television propaganda, for instance — nothing but foreign films, nothing but advertisements of the goods you cannot buy and the services you cannot afford. All this is meant for a select majority. [as heard] What is the difference between the Communists and democrats? The Communist ruling clique lived well thanks to the privileges enjoyed by the CPSU top leaders. Today the leaders of democrats live well too because they have enriched themselves illegally by having taken your money away from you. What has privatization given you? Nothing, none of you has become an owner. Even myself, the leader of a political party and a State Duma deputy have nothing. My voucher has stayed at home. All that was a swindle! Or take the investors who tried to make money by buying securities and so on!

All this can be halted if a different course, a different concept is taken. For this end a new leader should be elected, a bold and courageous leader. Russia is an empire. We cannot be an abject republic with a rotten democracy, a declining economy, and a weak army. In this case Russia will be no more. The model of economy and democracy that we have today, the one imposed upon us by the likes of Gaydar, Chubays, and Yavlinskiy suits but a small country, such as Finland, Hungary, or the Czech Republic. But huge Russia surrounded by enemies on its borders, who are eager to take away our territories, needs a strong army, a powerful and strong state. We need an emperor, a sovereign, a president with enormous powers such as were enjoyed by the Czars or the general secretaries and even our current president enjoys enormous powers, but he is hesitant. He cannot stop the war in Chechnya, while our army is capable of achieving this goal quickly, as Defense Minister Grachev has said, within two weeks. A single paratroop regiment could have put things in order, but no relevant instructions were given.

The same is true about the economy. Why have we stopped state-run industry, why are we obstructing the private sector, why are we humiliating the collective farm workers and private farmers? Just think of it: Your grandparents were pushed into collective farming against their will while today young collective farm workers are forced to become private farmers without providing the necessary conditions for them to become private farmers. This is a mockery! Our taxation and monetary policies are wrong and that is why we cannot succeed, that is why only profiteers, money-lenders and speculators are getting rich in our country while normal Russian young people cannot become businessmen. They have two options: prison or emigration.

I am saying goodbye to you, but we will meet again many times yet on the radio and television. I am calling on all young Russians to gather in Pushkin Square at 1200 [0900 GMT] on 12 June; from there an LDPR [Liberal Democratic Party of Russia] march will start. It will be a final event in the elections of a new Russian president. So young Russians, I will be waiting for you in Pushkin Square at 1200 on 12 June. I hope you will make a sensible choice on the 16 June and your pure hearts and souls will tell you who to vote for on the 16 June.

Russia: Election Broadcast by Presidential Candidate Fedorov

LD1505092396 Moscow Mayak Radio Network in Russian 0300 GMT 15 May 96

[FBIS Translated Excerpt] [Announcer] Dear listeners, in the run-up to the forthcoming election you will now hear a speech by one of the candidates for the post of president of the Russian Federation, academician Svyatoslav Fedorov.

[Begin Fedorov recording] Dear friends, listeners, people of Russia. I have decided to run for the post of president of the Russian Federation because my staff and I — and there are about 100 labor collectives of this kind in Russia — have worked out a method for turning Russian producers into owners of what they produce. This results in productivity rises, sometimes by a factor of ten. The collectives become rich, they pay high taxes, and the taxes are then spent on feeding the old, on ensuring a good education and perfect health care.

The method is simple. It is, I would say, the third way, as it were, in which the people who produce something are themselves in charge of distributing the money. This means reuniting man with the results of his work. No manager, no bureaucrat, no ruler has the right to take away the things I produce and then set for me some incomprehensible pay rate or some wage.

This gives us freedom, and in this way the free man starts producing more and better things. We know that when we come and see our gardens and vegetable patches. There, we have it really fine. There, we have it no worse than in France or in Germany. But if you go and look at our state-owned or private enterprises you can see that there everything is wrong. They are dirty, people steal, and production quality is poor. Therefore we should all be made masters of our own work. Then we will lead normal, happy lives.

Moreover, today society is split into the super rich, who own the means of production — they have in fact usurped these means of production, sometimes even illegally — and the other 98 percent, a huge number of hired laborers who get paid in accordance with some incomprehensible pay rates. Even so, they sometimes do not get paid for three or four months in a row.

This means we are quite clearly moving straight toward civil war. Today, we have the executive, who are the Whites, and on the other hand we have Zyuganov and the Communist Party, the Reds. Sooner or later this is bound to lead to a huge clash.

Therefore I believe we do not need these extremities. We need the third way, in which we ourselves become masters of our own work, in which we unite [society] by taking representatives from the Whites and the Reds and set up a single government, the government of popular unity, which finally starts working on the most important thing: How to make man happy and free, how to ensure the highest possible productivity and the best possible quality of the goods we produce. This would enable us to enter the world market and not be ashamed of our goods any more. We could sell not just our oil and gas, but our cars and refrigerators, fine new building materials, our space equipment, our electronics. We can do all this because we have a powerful enough reserve of intellectual property, we have a huge number of scientists, engineers, technologists, fine mathematicians, etc. We must use them, we must use their talents.

People's talents are the most powerful force in the economy and in the state in general. We must rear our own competent people. We must give as much as possible to ensure that our teachers are intellectuals who bring up intellectuals. Only the intellectual, and intense high-quality professional work can help us become a rich nation. We must make this a national task — in order to ensure that our goods are no worse than Western ones, our living standards are no lower than in European countries. We have everything we need to achieve it. Our resources, including those of raw materials and intellectual property, are huge, they are far greater than those of some European countries like Holland or Belgium.

So what is the problem then? The only problem is that we have not set up a normal system that creates incentives for work, that opens up initiative, gives fair distribution of what is produced. If we do that, all the people will be happy, free, and well-off. This is my objective. This is why I am running for the post of president of the Russian Federation.

Goodbye for now. I wish you happiness and I believe that success will come. [end recording]

[Announcer] This speech was made by one of the candidates for the post of president of the Russian Federation, academician Svyatoslav Fedorov. [passage omitted: recorded comments from cosmonaut Aleksey Leonov, poet Konstantin Vanshenkin, and actor Aleksandr Porokhovshchikov, who speak about Fedorov's achievements as an eye surgeon and organizer and his fine personal qualities]

Russia: Second Presidential Election Broadcast by Candidate Shakkum

LD1405184896

[Presidential election broadast by candidate Martin Shakkum — recorded]

[FBIS Report] Moscow Russian Television Network in Russian at 1635 GMT 14 May broadcasts a 15-minute unpaid election slot on behalf of presidential candidate Martin Shakkum, introduced by Andrey Bystritskiy.

The program takes the form of speeches to camera interspersed with video inserts. Approximately the first five minutes of the program comprise repeats from referent item.

The next insert highlights Shakkum's career in which he rose from being an employee of the Space Research Centre to director of the Moscow Region Main Construction Directorate. In 1991, together with Academician Stanislav Shatalin he created the Reform Foundation, a nongovernmental and independent research organization. At present he is its first deputy chairman.

Shakkum then moves on to his foreign policy platform. He asserts that Mikhail Gorbachev destroyed the great USSR and now Russia is on the verge of economic collapse. He says: "We should have a clear-cut foreign policy. We should determine our geo-political interests, the first one being the integration of the post-Soviet states. There are also specific issues. We must not allow the division of the Black Sea Fleet. We have enough power and influence over Ukraine, our closest neighbour. Such relations between the Russian and the Ukrainian peoples are unacceptable. If Ukraine joins NATO, a missile launched from its territory will reach Moscow within two minutes. In fact, Moscow will become a border city.

"It is also necessary to bring order into our relations with China. Not an inch of our soil must be given away. Today, those who govern us give away Russian land too easily. China is going to build a modern port on the shores of the Sea of Japan. The freight which now goes via Vladivostok and Nakhodka will go through that Chinese port. Russia will lose hundreds of millions of dollars."

Another insert emphasizes the social orientation of Shakkum's election platform. Shakkum speaks against agricultural imports, which in his view "enhance the security of food production in the United States and Western Europe," while destroying Russia's agriculture.

Preceded by an insert proclaiming: "A thief in a minister's chair is worse than a mafia boss," Shakkum focuses on his high ethical code and integrity, urging the people to vote for a candidate who will work honestly on their behalf. He promised that should he win, he "will not allow anyone to steal or avoid work. There will be order in things."

In conclusion, Shakkum undertakes to find jobs for all politicians who are currently running for the presidency alongside him.

Russia: Businessman Refused as Candidate To Appeal to Court

LD1305195296 Moscow 2x2 Television in Russian 1900 GMT 13 May 96

[FBIS Summary] Businessman Vyacheslav Ushakov, whom the Central Electoral Commission [TsIK] refused to register as a presidential candidate, has told a news conference that he will "become the president of the country this year." The unlucky presidential candidate is not giving up. He is planning to challenge the TsIK's decision at the Supreme Court Presidium, the general prosecutor's office, the Constitutional Court, and the international tribunal at The Hague.

"Without my participation, the 16 June elections will either not take place or they will be cancelled."

Russia: Electoral Commission Calls For Presidential TV Debates

LD1505113996 Moscow Russian Television Network in Russian 1000 GMT 15 May 96

[From the "Vesti" newscast]

[FBIS Translated Text] The Central Electoral Commission has called upon the presidential candidates to take part in television debates and round tables. They should communicate their decisions on whether to agree to this or not by 20 May, as television airtime will be allocated even if only two candidates agree to appear.

CIS: Draft Declaration Prepared for 17 May CIS Summit

LD1405122996 Moscow INTERFAX in English 1128 GMT 14 May 96

[FBIS Transcribed Text] MOSCOW, May 14 (INTERFAX) — During the Moscow summit scheduled for May 17, Commonwealth of Independent States leaders are expected to adopt a statement "On Support for Democratic Processes in Russia" which links Russia's development to the policies of Russia's incumbent president.

The draft statement says that "the prerequisites for Russia's qualitatively new development and for integration within the CIS, are connected with the activity of Russia's first president Boris Yeltsin."

Well-informed sources, who passed the draft statement to Interfax Tuesday, said that the document will hardly undergo any changes. They also said that the idea of adopting such a statement had been proposed by Kazakhstan President Nursultan Nazarbayev, who was supported by Uzbekistan President Islam Karimov and Kyrgyzstan President Askar Akayev.

Although the statement says that the leaders and peoples of the CIS countries "will respect any constitutional choice made by the Russian people," it unambiguously gives a backing to the course pursued by President Yeltsin.

"The Commonwealth of Independent States in general and Russia in particular need stability," says the draft statement. "Stability guarantees the consistency of the course which has been charted by the current Russian leaders despite all difficulties. The results will be fully seen in a few years. At the current crucial moment it is important to demonstrate good will and not to depart from the chosen path. It is impossible to bring back the past," the says the document.

CIS: Results of Primakov's Transcaucasus Tour Assessed

MM1505120396 Moscow KRASNAYA ZVEZDA in Russian 15 May 96 p 3

[Article by Vitaliy Denisov under the "Events and Commentaries" rubric: "Russia Does Not Intend Losing Its Positions in the Transcaucasus. On the Results of Russian Defense Minister Yevgeniy Primakov's Visit to Baku, Yerevan, and Tbilisi"]

[FBIS Translated Text] On 13 May Yevgeniy Primakov, head of Russia's foreign policy department, reported back to President Boris Yeltsin on the results of his working visit to the Transcaucasus states. The Russian foreign minister's mission is also the focus of attention in Baku, Yerevan, and Tbilisi.

The results of the talks on the settlement of the conflict in Nagorno-Karabakh could be considered a tangible success for this country's diplomacy — during the visit an accord was reached on the exchange of prisoners of war. The exchange was carried out by Yevgeniy Primakov himself, who ferried 35 Armenians by plane from Baku to Yerevan and 67 Azerbaijani hostages and prisoners from the Armenian capital to Azerbaijan. The Russian foreign minister himself adjudged the exchange "a very major step in the settlement of the Karabakh conflict." At the same time Primakov noted that the question of the full-scale solution of the Nagorno-Karabakh problem remains open.

One reason for such caution could be that the POW exchange cannot be considered anything other than a precedent. The point is that, according to the Azerbaijani side's lists, there are over 850 people held captive by Armenia. Official Yerevan does not accept that figure and claims in turn that a further 500 hostages and 178 POW's are still held in camps and jails in the neighboring republic. In the light of this, observers do not rule out the possibility of a new Russian Foreign Ministry initiative for an exchange based on the "all for all" formula, which could be a major step toward achieving an all-embracing peace.

Armenian and Azerbaijani news agency reports on the progress of the talks in Baku, Yerevan, and Stepanakert justify the conclusion that Russia is still a main participant in the peacemaking process in the Transcaucasus region. The cease-fire regime which has been in operation for two years now was established with Moscow's active participation and demonstrates that Russia will not only continue but will also step up its efforts in the settlement of the conflict.

However, the Russian foreign minister's visit to Georgia seemed less productive when viewed against the background of the exchange of prisoners between Armenia and Azerbaijan. To a certain extent it confirmed the opinion recently voiced by a section of Tbilisi's political circles that the negotiation process on the settlement of the conflict in Abkhazia is deadlocked. Yevgeniy Primakov himself stated that to talk "about the prospects of a real solution to this problem is difficult at the moment." That is probably why the obvious breakthrough in the unraveling of the South Ossetia problem was the main theme of the talks in Tbilisi.

Generally speaking, Russia's position on the Abkhazian question met with understanding in Tbilisi. It was no coincidence that Eduard Shevardnadze noted that a great deal in terms of the Abkhazia question will depend on the forthcoming Russian presidential elections. Official Tbilisi let it be known that it does not intend talking with Sukhumi without Moscow's participation, and that it is prepared to wait for the sake of peace and stability.

CIS: ITAR-TASS Carries Press Review for 15 May 96

LD1505071396 Moscow ITAR-TASS in English 0455 GMT 15 May 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, May 15 (ITAR-TASS) — ROSSIYSKAYA GAZETA reports about a congress of Russian landowners entitled "Farmers Will Vote for Boris Yeltsin." In a column entitled "World and Russia" the newspaper published an interview with first deputy Defence Minister Andrey Kokoshin who outlines his views on the problem of NATO's expansion.

IZVESTIYA carries an article by its correspondent writing on military issues Viktor Litovkin who acquaints the readers with people of a rare profession - test divers who were awarded by the Russian president with the gold stars of Russian heroes in the Kremlin on May 14. In another article entitled "Viktor Chernomyrdin promises to put an end to taxation disorder and introduce privileges for front-runners" the newspaper outlines measures to be taken by the government to support industry which were announced by the Russian Prime Minister at the congress of Russian industrialists and entrepreneurs. IZVESTIYA said that on May 15 a resolution passed by the Russian Government came into effect envisaging a change in customs duties imposed on a number of imported goods and products, including foreign cars. However, a commentary by Sergey Taranov makes it clear that foreign cars will not be cheaper because of a complicated system of customs taxation. An article "Dark glasses bar from seeing a real face of the minister" published by IZVESTIYA presents a literary image of Russian Foreign Minister Yevgeniy Primakov.

KOMSOMOLSKAYA PRAVDA publishes extracts from a draft programme of the Russian Communist Party in a commentary entitled "What Will Happen After Communists Come Into Power." The newspaper mentioned such provisions of this document as "on tough and resolute measures for nationalization and expropriation", "on the importance of tough centralized methods of mobilization and distribution of resources", "on measures restricting Russian citizens's trips abroad". In a column "A review of previous publications KOMSOMOLSKAYA PRAVDA said that it was still in jeopardy of being banned in Kazakhstan following a publication of a short hand report of "a Direct Line" interviewing Aleksandr Solzhenitsin. The Kazakh Prosecutor's office has already filed a suit with the Supreme Court which is to pass its verdict to the newspaper in two weeks' time. Experts say that the publication and circulation of the newspaper on the Kazakh territory might be suspended for six months.

KRASNAYA ZVEZDA comments on a joint session of the boards of the Russian and Belarussian Defence Ministries held on May 14. In another article the newspaper comments on the Cossack movement, publishing an interview with chief of the President's administration Nikolai Yegorov.

PRAVDA carries a commentary by Vice-President of the Russian Union of industrialists and entrepreneurs Yuriy Sakharnov who analyses the causes of the insolvency crisis in the Russian economy. "Only a radical change in the course will enable to settle the insolvency crisis," the newspaper quoted Sakharnov as saying.

RABOCHAYA TRIBUNA opens a new competition between industrial managers of the CIS, continuing its last year's column "Director of the year" to nominate a hundred leading industrial managers of the CIS.

Russia: NATO Chief Denies Plans for Nuclear Deployment Eastward

LD1405212296 Moscos ITAR-TASS in English 2053 GMT 14 May 96

[By Alexander Potyomkin]

[FBIS Transcribed Text] WARSAW, May 14 (Itar-Tass) — Once Poland joins NATO the military alliance's command will deploy in its territory nuclear weapons, Warsaw's newspaper KURIER POLSKI said today, quoting a high official of the Polish army's chief staff.

According to the Polish military official, tactical weapons, or launchers with nuclear warheads and tactical missiles, will be deployed first on Poland's eastern border.

He stressed that this move of NATO would be to show that Poland's admission was not a symbolic gesture but making it a real military ally.

Commenting on this, the newspaper described as "naive" the expectations that Poland's membership of NATO would not entail the deployment of nuclear weapons on its soil and called to "reconcile with these facts".

This is not bound to be liked by all, the article continues. Poland's diplomats will have to wrack their brains to reconcile two policy priorities of Poland — to be in NATO and remain on terms with Russia, Ukraine and Belarus. The will diplomats face the job of assuring the Polish society that membership of NATO is the very thing it needs, the comment says.

However, NATO Secretary-General Javier Solana on Monday dismissed reports citing him as saying in Norway that nuclear weapons might be deployed in Central and East European countries after their entering NATO.

Solana told Itar-Tass that speaking in Norway he had reiterated what he always said. As for NATO's strategy, nuclear forces in Europe have been cut 80 per cent after the end of the Cold War, Solana said, adding that there are no more nuclear missiles in Europe now.

The strategy in terms of NATO's expansion plan has been formulated in the study published in September of the last year. Article 5 of the Washington treaty, including its nuclear section, will apply to new members of NATO. However, deployment of nuclear weapons in their territories is not in question.

Solana said NATO is not going to alter this stance, adding that whoever ascribes to him different statements does so because of incompetence or wickedly.

Russia: Duma Deputy: Moscow Must Review Commitments if NATO Expands

LD1405111096 Moscow INTERFAX in English 1055 GMT 14 May 96

[FBIS Transcribed Text] MOSCOW, May 14 (Interfax) — In the event of any NATO enlargement, Russia must review its commitments under a range of international agreements, Aleksey Podberezkin, deputy chairman of the Russian Duma's International Affairs Committee, told a news conference in Moscow on Tuesday [14 May].

He said it is not in Russia's interests to ratify the Start-2 treaty and honor obligations on flank limitations under the Conventional Forces in Europe agreement in light of NATO Secretary-General Javier Solana's recent statements saying the acceptance of new members by the alliance is inevitable and deployment of nuclear weapons on their soil possible.

Podberezkin, who is one of the chief experts and campaign officers of Gennadiy Zyuganov, Communist presidential candidate, said Zyuganov's election program will be published by May 20. Nonetheless, he pointed to "a recognition of national priorities and pragmatism in foreign policy" as one of the main points of the program.

Podberezkin said the program of the left wing candidate also accounts for some of the proposals made by 13 leading Russian businessmen and a range of economic ideas by prominent eye specialist Svyatoslav Fedorov, who is also running for the Russian presidency.

Referring to "private surveys" conducted by various polls including the Communist party, he said Zyuganov was likely to swing 38 percent of the vote.

Russia: Zyuganov Views NATO Expansion, Yeltsin, Economy

AU1405134496 Munich FOCUS in German 13 May 96 pp 270-271

[Interview with Communist Party Leader Gennadiy Zyuganov by G. Dometeit and A. Manutscharjan; place and date not given: "Distributed and Lost Everything"]

[FBIS Translated Text] [FOCUS] Eastern Europe's NATO membership is a controversial issue. According to Foreign Minister Primakov, Russia could agree to it if no nuclear arms or foreign troops are stationed there.

[Zyuganov] We are against NATO expansion, because military blocs and their psychology are outdated. The third millennium should be entered with a new philosophy: NATO and Russia should give eastern Europe and the Baltic states security guaranties. Primakov has made proposals that are worth discussing. But an expansion of the military organization contradicts the agreement on the reduction of conventional arms, which should precede an agreement on strategic nuclear arms.

[FOCUS] To what extent is a new security system developing within the CIS?

[Zyuganov] The destroyed relations within the CIS, which was also aiming at a common defense area, should be reestablished, with independence, language, culture, and traditions being maintained and political sovereignty remaining untouched.

[FOCUS] You have called former Foreign Minister Kozyrev too pro-Western. Do you want to turn toward China?

[Zyuganov] Kozyrev made no foreign policy at all. He distributed everything and lost everything. We will distribute our priorities evenly.

[FOCUS] You are for an economy of variety. Do the "exploiters" have to fear being expropriated?

[Zyuganov] That is nonsense. One of the reasons why the USSR was destroyed was the state monopoly on all forms of industry. The result was a rigid political body. The right balance has to be found of state, collective, and private industry. In the developed countries, the state sector ranges from 20 to 70 percent.

[FOCUS] You have spoken out for a just redistribution of private industry. What does that mean?

[Zyuganov] The thing is that 37 million people are living below the subsistence level. Reforms should benefit everyone, not just 5 percent, who get incredibly rich, while all the others get poorer and poorer.

[FOCUS] You have spoken out against land ownership.

[Zyuganov] That is not true. We are in favor of people owning gardens and houses. Everyone should do what they like with that land. But where farming land is concerned, we are in favor of a lease for life, which can be passed on to one's heirs.

[FOCUS] What would become of the "newly rich," the private land owners?

[Zyuganov] There has been no privatization, only barbaric a[illegible] (Former Minister) Chubays took 500 companies worth $200 billion and sold them for $7 billion. Is that the market economy? But we are realistic: Wherever private owners are successful and pay taxes, we will support them. But why should we support private companies where there is only stagnation?

[FOCUS] Very few companies invest in Russia, because they fear to lose their capital. How do you want to encourage them to invest more?

[Zyuganov] I have met with bankers in Davos and Vienna and with Salomon Brothers in Boston. They are concerned about something else: the lack of regulations and the permanent change in prices. I am sure that many will come when the prices stop going up every month and when we guarantee them security and European standards.

[FOCUS] Yeltsin is being a lot of support by Bonn. Does that help him?

[Zyuganov] The West has always been controlled by reason. Respectable politicians cannot rely on a person who has failed with his reforms, started a war in Chechnya, and continues a policy of destabilization. Those who know the truth maintain contacts with everyone.

[FOCUS] Would you change the policy vis-a-vis Germany?

[Zyuganov] We want to expand the friendship as far as possible. Germany is one of our most important partners in Europe. Our relations have been difficult in this century, we should start the next one with better feelings.

[FOCUS] Some people consider you a Stalinist, because, in your book, you said some positive things about Stalin.

[Zyuganov] I have assessed all the protagonists by the dialectic method. I never abuse anyone, be it Yeltsin, Stalin, Lenin, or Gorbachev. I was born after the war. I have not experienced any repression. Nor have my children. Why are you blaming us for that? With that attitude, one would have to charge all of Germany with the events in the 1930's. That does not make sense.

[FOCUS] There will be no red terrorism if you come to power?

[Zyuganov] We are not only against repression, but also against settling old accounts. We are prepared to sit down at a table and sign an agreement, committing ourselves to observing these rules. The question is whether the other side is also prepared to do this.

Russia: Expelled U.S. Businessman 'Presumably' Spied for DIA

MK1405115296 Moscow NEZAVISIMAYA GAZETA in Russian 14 May 96 p 2

[Report by Igor Korotchenko and Andrey Streletskiy: "Details of Spy Scandals. President Yeltsin Personally Authorizes Lubyanka Actions"]

[FBIS Translated Text] NEZAVISIMAYA GAZETA has learned from competent sources that the Russian citizen who was arrested in April 1996 on suspicion of collaborating with MI6, the British intelligence service, is an employee of the Foreign Ministry of the Russian Federation. But the Russian Federal Security Service [FSB] has not yet officially confirmed or denied this information. "In such cases it is usually said: 'No comment,'" Aleksandr Zdanovich, acting chief of the FSB's public relations center, said. Meanwhile, there are reasons to expect that the agent's name and certain additional data about him will become known over the next several days, after the FSB units involved in the investigation of the case have lifted their embargoes.

In the evening, NEZAVISIMAYA GAZETA also learned certain details concerning the expulsion of Richard Oppenfelt, an American businessman who worked at the office of Seattle Medical Export, Inc. in Petropavlovsk-Kamchatskiy. It turned out that he was on the payroll of an American special service (presumably DIA, military intelligence) and gathered secret information on the Pacific Fleet's base of nuclear submarines armed with ballistic missiles carrying out combat patrols off the coast of the United States.

The American spy successfully approached a number of Russian Navy officers with access to secrets for the purpose of recruiting them, but he himself came to the attention of the counterintelligence agencies, with all the ensuing consequences. Incidentally, the FSB had grounds to arrest Richard Oppenfelt, because he had no diplomatic immunity, while the evidence of his illegal activity was documented by operational-technical units of the Russian state security service. However, FSB Director Mikhail Barsukov was instructed by the Kremlin not to play up the scandal, for which reason the American spy got off lightly, never learning what the Lefortovo investigation prison is like.

An employee of the U.S. Embassy in Moscow who asked not to be identified told NEZAVISIMAYA GAZETA that the American diplomatic mission had received instructions from the State Department to avoid any comment on the incident in Kamchatka. In his words, the meeting of official representatives of London, Bonn, and Washington held on 7 May in the British Embassy in Moscow was planned in advance and had nothing to do with the expulsion of 9 British diplomats. The U.S. Embassy was represented at the meeting by Richard Miles, the embassy's second-ranking official after Thomas Pickering.

A well-informed source at the FSB noted in his commentary for NEZAVISIMAYA GAZETA that after the loud spy scandal over the detention of the MI6 agent, the Moscow bureaus of the CIA, BND, Mossad, and a number of other Western secret services have visibly scaled down their activity and temporarily put on hold both their agent and official contacts with Russian citizens. The counterintelligence officer emphasized that all measures taken by Lubyanka in connection with the arrest of the British spy and their information coverage were authorized by Russian President Boris Yeltsin in person.

Russia: Foreign Ministry To Examine 'Incident' With Businessman

LD1405193596 Moscow ITAR-TASS in English 1924 GMT 14 May 96

[By Aleksandr Valiyev]

[FBIS Transcribed Text] MOSCOW, May 14 (Itar-Tass) — The Russian Foreign Ministry is going to closely examine the incident involving the American businessman Richard Dunn Oppenfelt, the ministry's senior spokesman Grigoriy Karasin said.

He told a briefing today that the ministry would make the results of the probe public through its channels.

Karasin said there is an abundance of conflicting reports about the incident.

It has been reported earlier that Oppenfelt, who is the president of the company Seattle Medical Export Inc. left Russia on May 10 after he had a conversation with security officials.

They told Oppenfelt that his activities in the Kamchatka region had been far beyond the bounds of his company's commercial interests.

According to diplomatic sources, Oppenfelt left Russia voluntarily, "drawing right conclusions for himself".

He was not expelled, as asserted by media reports, Karasin said.

Some unconfirmed reports say the U.S. Embassy in Moscow has addressed a letter to the Russian Foreign Ministry, asking for clarifications about the situation around Oppenfelt.

Sources also said that the Russian ministry had presented no official notes to U.S. diplomatic missions.

Russia: Source Says Expelled American Tried To Recruit Navy Officer

LD1505090796 Moscow INTERFAX in English 0827 GMT 15 May 96

[FBIS Transcribed Text] PETROPAVLOVSK-KAMCHATSKIY, May 15 (Interfax-Eurasia) — President of the American Seattle Medical Export Inc. Firm, U.S. citizen Richard Dunn Oppenfelt, expelled from Russia on May 10, was trying to recruit a Russian Navy officer, sources at law enforcement bodies in the Kamchatka region, Russia's Far East, told Interfax.

Oppenfelt attracted the attention of the Federal Security Service [FSB] regional department after he offered money to a naval officer in exchange for specific information, the source said.

Oppenfelt, 42, is a resident of Seattle. He served in a radio intelligence unit of the U.S. navy in his time and is an authority on the Russian language.

According to official reports, the American citizen was expelled from Russia "for the activities damaging to the interests of Russia's security." The FSB department did not explain what concretely stands behind this wording.

Russia: Karasin: Moscow Insists on Expulsion of British 'Spies'

LD1405152696 Moscow ITAR-TASS in English 1520 GMT 14 May 96

[By Denis Perkin]

[FBIS Transcribed Text] MOSCOW, May 14 (Itar-Tass) — Moscow's attitude to the British diplomats it accuses of engaging in spying activities ramains unaltered, Russian Foreign Ministry senior spokesman Grigoriy Karasin told reporters today.

"The (expulsion) decisions taken remain in force and we are implementing them through diplomatic channels," Karasin said. He refused to specify the number of the British Embassy employees accused of "illegal anti-diplomatic acts", which refers to their involvement with a Russian arrested on charges of spying for Britain.

"As concerns the personality of the detained British agent, the investigation is being carried out, but the Russian Foreign Ministry has no official information about the personality of this man," Karasin continued.

He dismissed the hypothesis of the media that Russian security services were acting out a part on the eve of the forthcoming presidential election.

"No country, including Russia, will allow to recruit its citizens in its own territory. There is nothing artificial and invented here, this is a typical action of special services which guard the country's security," Karasin said.

He assured that the incident had not affected the Russian-British relations.

Russia: Yeltsin Sends Personal Message to Rafsanjani

LD1405143596 Moscow INTERFAX in English 1354 GMT 14 May 96

[FBIS Transcribed Text] MOSCOW, May 14 (Interfax) — Russia's Deputy Prime Minister Aleksey Bolshakov during a two-day visit to Iran ending on Monday handed a personal message from Russian President Boris Yeltsin to Iranian leader 'Ali Akbar Hashemi-Rafsanjani, members of Bolshakov's office told Interfax on Tuesday.

Yeltsin's message spoke of the new railway route linking Turkmenistan and Iran, the opening ceremony of which the deputy prime minister attended. Yeltsin's message says the new route opens up fresh opportunities for economic cooperation between the CIS and its southern neighbors, especially Iran.

Bilateral cooperation and the situation in the Central Asian and Caspian Sea regions was high on the agenda of Bolshakov's talks with the Iranian president.

Bolshakov also led a Russian delegation in talks with Iranian Road and Transport Minister Akbar Torkan to discuss exports of Russian-built railway engines and rolling stock, air liners and roll-on-roll-off vessels.

The two sides agreed on the need to speed up work on establishing ferry links between the two countries and building a new Russian navigable port, Olya, close to Astrakhan on the Caspian Sea.

Russia: Cooperation With Belarus Not Response to NATO Expansion

LD1405124196 Moscow ITAR-TASS World Service in Russian 1124 GMT 14 May 96

[By ITAR-TASS correspondent Mikhail Shevtsov]

[FBIS Translated Text] Moscow, 14 May — "The expansion of Russian-Belarusian military cooperation should not be seen as a response to NATO expansion to the east," Russian Defense Minister Pavel Grachev said at a news conference today on the results of a sitting of the collegiums of the two states' military departments.

He said: "The leaders of NATO are determining their own policy and views on ensuring European security and we are not setting up any counterbalance at all to their policy. We are working within the framework of the Treaty on Collective Security of the CIS states." As far as Belarus is concerned, in connection with the signing of the treaty on the creation of the community of Russia and Belarus "we are conducting work towards the more intensive integration of the two states, and that includes the military sphere," stressed Pavel Grachev.

However, the head of the Russian defense department stressed: "we are indeed following closely the process of the possible expansion of NATO and will take certain parallel measures if the process of NATO expansion becomes a reality, especially near to Russia's borders." Pavel Grachev stressed that the possibility of Poland and Lithuania joining NATO was being carefully watched as this "is of vital military and strategic significance" for Russia. The possibility of these states joining NATO, the Russian minister believes, will create certain difficulties for the Kaliningrad defence region — "we will essentially be cut off from Kaliningrad Region by NATO member-countries."

In order to prevent such a turn of events, Pavel Grachev stressed that Russia, first of all, would take military-political steps. "However, if our recommendations are ignored and no new ways of Russia and NATO cooperating are found, then evidently we will take military measures as well in the Western region, including steps relating to the strengthening of the group of troops," said the Russian defense minister.

Russia: Grachev: Tajikistan in State of 'Civil War'

LD1405111296 Moscow Russian Television Network in Russian 1000 GMT 14 May 96

[Remarks by Russian Federation Defense Minister Pavel Grachev at news conference in Moscow on 14 May, in response to questions on the situation in Tajikistan, from the "Vesti" newscast — recorded]

[FBIS Translated Text] Whatever we might do to pass over it in silence, Tajikistan is now in a state that could be described as a civil war. There are constant provocations and combat operations on the borders. Bandits come into Tajikistan from the neighboring state. So here at the present stage our task, including, of course, and perhaps primarily ...[changes thought] ...[is that] Russia provides what help it can to prevent bloodshed in Tajikistan, which we are doing by means of the peacekeeping forces of the 201st division and especially by means of the border troops, as well as other coercive subunits. [video shows Grachev sitting beside Belarusian Defense Minister Leanid Maltsaw at news conference]

Russia: Foreign Ministry on 'Deteriorating Situation' in Tajikistan

LD1405233496 Moscow ITAR-TASS World Service in Russian 1403 GMT 14 May 96

[By ITAR-TASS diplomatic correspondent Aleksandr Valiyev]

[FBIS Translated Text] Moscow, 14 May — The Russian Foreign Ministry "expresses grave concern over the deteriorating situation in Tajikistan, which is characterized by extensive large-scale hostilities of the opposition against the government forces in the Tavildara area." Grigoriy Karasin, chief of the Russian Foreign Ministry's information and press department, today stated this at a briefing for journalists.

"Any further destabilization of the situation in a state friendly to us has a direct effect on the strategic interests of Russia and our partners in the CIS," the Russian diplomat said.

Grigoriy Karasin stressed that the subunits of the Russian armed forces stationed in Tajikistan as part of the CIS collective peacekeeping forces are continuing to observe neutrality with regard to the internal conflict. Acting within the mandate granted to them in accordance with the multilateral and bilateral agreements, Russian servicemen have taken under their protection the republic's strategic facilities, the Russian Foreign Ministry spokesman noted.

The opposition took these "dangerous actions" before 26 May when the cease-fire agreement expires, Grigoriy Karasin pointed out. It is known, he said, that the government side is ready to meet the obligations of this agreement without setting any time limits. The opposition refuses to follow this example, and the question arises whether it intends to continue to take part in the political process under the aegis of the United Nations or whether it is counting on achieving its goals by force, the Russian diplomat stressed.

Grigoriy Karasin noted that the Russian side was calling on the leadership of the Tajik opposition to give up the use of force and "proceed along the path of seeking political compromises in the interests of national reconciliation, preserving Tajikistan's independence, and ensuring peace and calmness on Tajik soil."

The Tajik topic was focussed upon during a 12 May meeting between Russian Foreign Minister Yevgeniy Primakov and the special envoy of the UN secretary general for Tajikistan, Grigoriy Karasin reported. The Russian minister spoke in favor of resuming as soon as possible the inter-Tajik talks under the UN aegis, the Foreign Ministry spokesman said. In the opinion of Yevgeniy Primakov, the United Nations can make a considerable contribution to achieving national reconciliation in Tajikistan and settling the conflict by political means. The minister said that Russia remains ready to render any necessary assistance to achieve this.

Russia: Spokesman Warns Estonia Against 'Undermining Relations'

LD1405150796 Moscow ITAR-TASS World Service in Russian 1313 GMT 14 May 96

[By ITAR-TASS diplomatic correspondent Aleksandr Valiyev]

[FBIS Translated Text] Moscow, 14 May — Estonia "is continuing the course of undermining relations with Russia," stated Grigoriy Karasin, director of the Information and Press Department of the Russian Foreign today at a briefing for journalists. There are problems in Moscow's bilateral relations with Tallinn, he said, replying to an ITAR-TASS correspondent's question, and they are not being exacerbated by Moscow, Karasin believes.

To corroborate his conclusion, the Russian diplomat cited a series of recent actions by the Estonian side. On 8 May, the Estonian ambassador Mart Helme was invited to the Russian Foreign Ministry, Karasin recalled. The ambassador's attention was drawn to the activity incompatible with diplomatic status of Argo Kuunemae, second secretary at the Estonian Embassy. Karasin noted that this Estonian diplomat had been asked to leave the territory of the Russian Federation.

At the same time, the Estonian ambassador's attention was drawn to his own remarks in the press regarding issues of Russian-Estonian relations, the Russian Foreign Ministry spokesman went on. For example, the ambassador's newspaper interview on 2 May contained unfounded claims about "a specific threat to Estonia from Russia." Karasin stressed that the generalization made by the ambassador that allegedly "militant nationalism has triumphed" in Russia was also puzzling. Helme's statement that "the Russians, Ukrainians, and Belarusians living in Estonia have somewhere they can go" sounded cynical, the Russian diplomat pointed out.

It goes without saying, Karasin said, that "such utterances not only do not promote the strengthening of mutual understanding and good-neighborliness between our two countries but also go far beyond the bounds of the generally-accepted standards of behavior of diplomatic representatives in their host countries."

He said that during that same conversation dissatisfaction was expressed to the ambassador over the absence of a reply to a request by the Russian side regarding the opening on Estonian territory of additional polling stations for the Russian presidential elections for Russian citizens living there.

In addition, the Estonian security police recently carried out a search of the premises of the Union of Russian Citizens in Narva, noted Karasin. To an enquiry by the Russian Foreign Ministry, a representative of the Estonian security police said that criminal proceedings would be instituted against the union's chairman, Mishin, on a charge of anticonstitutional activity.

One would like to hope, noted Karasin, that commonsense will prevail in the Estonian capital and that they will finally realize there that the only true and long-term path is to establish civilized and good-neighborly relations with Russia. "We actively call for the development of good-neighborly and active relations with Estonia but we also bear in mind other facts and factors that are valid in these relations," concluded the Russian diplomat.

Russia: Estonia Accused of 'Favoring' Terrorism

MM1405083696 Moscow KOMSOMOLSKAYA PRAVDA in Russian 14 May 96 pp 1, 2

[Article by Aleksey Chukurov: "The Estonian Connection in Ulster and Chechnya: The FSB Presents Evidence"]

[FBIS Translated Text] Sensational exposes, including those concerning the Estonian special services' activity in Russia, have recently been coming out of Lubyanka. While passions are seething over the measures taken against Russian diplomats in Tallinn and Estonian diplomats in Moscow, KOMSOMOLSKAYA PRAVDA has obtained the opportunity to comment on an even more sensitive situation. You have in front of you secret documents shedding light on international terrorist activity. It is difficult to say whether they have more to do with politics or with a professional investigation. However, both the documents and the information conveyed to us certainly deserve attention.

Tallinn Sends Gifts to London

"At the start of February we obtained information on secret contacts between IRA envoys and Estonian arms dealers. Companies belonging to members of the extremist Kaitseliit organization turned out to be contractors for overseas terrorists. It was literally only a matter of a few days before first one and then another explosion rang out in London. I do not regard this as mere coincidence." This is how a member of the Russian FSB [Federal Security Service] Antiterrorist Center began his discussion with me.

Let us recall that the IRA had not carried out a single terrorist act for 18 months prior to 9 February this year. The leaders of Britain and Ireland were confidently stating that a final solution to the Ulster problem was close at hand. Then, suddenly, explosions occurred in the very center of the capital: More than 100 people were hurt as a result of the first explosion: the second bomb ripped to shreds a bus carrying ten passengers. Responsibility for the terrorist acts was claimed by the IRA or, to be more precise, its combat arm — the terrorist "Provisionals."

After this John Hume, a leader of the Catholic community in Ulster, said that the IRA's reversion to terrorism had set back the settlement of the conflict "many years."

Why did the IRA gunmen decide to buy arms in far-off Estonia? In our counterintelligence officers' opinion, the Irish terrorists have long had their eyes on the "tiny, freedom-loving" republic on the shores of the Gulf of Finland. IRA agents ascertained that Estonian "businessmen" were involved in smuggling not only rare-earth and precious metals but also the latest weapons systems, and, moreover, were doing so without encountering any opposition from the Estonian special services. After this IRA emissaries, provided with forged British and Brazilian passports, made contact with the aforementioned Kaitseliit, which modestly calls itself a "public organization."

Five Assault Rifles and Ten Pistols Per Fighter

From KOMSOMOLSKAYA PRAVDA's files: The Kaitseliit (Defense League) public organization was set up in 1988-1989 as the military wing of the Estonian independence movement. It was Kaitseliit detachments which organized provocations against the "nonindigenous" population at that time.

In recent years Kaitseliit has been employed to suppress discontent among the Russophone population. According to FSB information, during the holding of a referendum in northeastern Estonia Kaitseliit detachments went in at the Estonian Government's request to put pressure on the Russian inhabitants.

Kaitseliit has its own branches and bases in all the rajoons [districts] and cities of Estonia. The organization's leadership states that it now has almost 6,000 men. FSB specialists estimate Kaitseliit's strength to be 3,500 poorly trained volunteers at most.

It is considered that smuggling weapons has become the chief source of income for the Kaitseliit leadership. "They have constantly bought absurdly large consignments of weapons abroad: 40,000 assault rifles here, 20,000 pistols there. Why so many weapons for the 3,500 members of the organization?" — the FSB Antiterrorist Center staffer continued. "The answer is simple: to resell to criminals and terrorists in the CIS and countries farther afield. We have documents attesting that 30,000 Tokarev Tula pistols were illegally delivered in Russia. But that is still not all...."

The "complete gentleman's outfit" for a terrorist includes a high-powered sniper rifle, a magazine with special rounds, and a laser scope costing several thousand dollars. All this equipment as well as RGM [expansion unknown] assault grenades were seized during an operation to stop weapons being smuggled in from Estonia carried out by the Antiterrorist Center in April. "This array of weapons was being shipped by Estonian 'businessmen' to meet an order from a Russian crime gang with a specific terrorist act in mind."

How a Chinese Pistol Can End Up in Chechnya

Document One: For 600 assault rifles delivered from the city of Radom (Poland) "for the defense needs of the people." The recipient is the Kaitseliit organization.

Document Two: For 400 Smith and Wesson pistols purchased in Finland for the Kaitseliit youth organization.

Document Three: Kaitseliit obtains 12,000 Chinese-assembled Tokarev Tula pistols and accompanying rounds. The price is $12.80 per pistol and $7 per box of ammunition. Incidentally, the market price of the Tokarev Tula pistol is $250-280.

That is the way weapons have been obtained by the Estonian "independence fighters." And here is how they sold them.

Document Four: the weapons supply contract between the Kalvert [name as transliterated] company and Azerbaijan's Seydli [name as transliterated] concern. The company is run by Yuriy Tiyts [names as transliterated], a close friend of the Kaitseliit bosses. Under the contract, the Estonian company supplies its partner in Azerbaijan with 20,000 Tokarev Tula pistols.

There is also a Russian-Austrian joint venture called Nordex, with headquarters in Vienna. It is run by someone called Luchanskiy [name as transliterated] — a close comrade of former Lithuanian parliament head Vytautas Landsbergis. Zvyahilskiy, head of the Ukrainian government, was yet another "good friend" of Nordex — until he was tossed out as premier for, among other things, his link with the Nordex company.

Illegal arms dealing is that joint venture's main activity. According to some estimates, the company has already earned $12 billion from arms supplies to Russia. And it is the Chechen mafia connected to Dudayev which is the actual owner of Nordex. This tie-up between the Baltic, Ukraine, and Chechen separatists operates with enviable continuity, in the opinion of counterintelligence agents.

The Poachers Are Also the Gamekeepers

A logical question is: Why have the Estonian special services not caught the smugglers by now? "We have absolutely reliable evidence that Kaitseliit — the Defense League — is sustained by the Estonian power structures in order to exert political pressure on the republic's Russophone population."

Aleksandr Eynsel [names as transliterated], commander of the Estonian Defense Forces, retired only last December. The real reason for his retirement was the arrest of a senior officer in the Main Staff on charges of organizing the illegal supply of firearms. Eynsel's name surfaced during questioning and he was forced to quit his post.

Eynsel was replaced by Johannes Kert 12 January. Will he restore order in the unsanctioned arms trade? Given that Kert was previously head of the Kaitseliit organization, this is pretty unlikely.

British Counterintelligence Officers, Please Ring the FSB

It was precisely the impunity enjoyed by the "weapons impresarios" which attracted the IRA gunmen to Estonia.

"We are prepared to hand over to the British special services all the information we have available on contacts and illegal operations involving the IRA and Estonian smugglers. This could help our colleagues deal with the wave of terror which has overtaken England.

"I am sure that the Western special services will realize after studying our material what direction 'free and democratic' Estonia is taking. The state protects and even helps the arms trade. Estonia can now confidently claim the title of a country 'favoring the spread of terrorism.'"

How objective and reliable is the FSB Antiterrorist Center's information? Mart Helme, Estonia's ambassador to Moscow, has stated that the arms-smuggling charges are a fabrication and the product of intrigue by the Russian special services and that Kaitseliit is a noncommercial organization which is not involved in the purchase or sale of weapons.

The ambassador is, of course, an official. It is his job to issue denials. But the documents along with a sniper rifle make a convincing argument. Moreover, this evidence is far from all that Moscow has.

Will the materials be published? The recent Moscow and Tallinn decisions to expel each other's diplomats on suspicion of espionage will inevitably worsen the already fraught Russian-Estonian relations. If our special services take this step, let us hope that they have at their disposal irrefutable evidence and not just words, which even counterintelligence agents have been generously casting about of late.

Russia: Russian Firms Want Bigger Slice of Kazakhstan Oil

MM1405141896 Moscow KRASNAYA ZVEZDA in Russian 14 May 96

[Report by Anatoliy Ladin: "Kazakhstan's Vast Oil Reserves May Reach World Market in 1996 Via Russia"]

[FBIS Translated Text] During Russian Federation President Boris Yeltsin's official visit to Almaty at the end of April an event took place that shed some light on the future of Kazakhstan's flood of oil, which is insistently seeking access to the world market. The main route out of Kazakhstan is by oil pipeline, and a considerable proportion of it is expected to cross Russian territory. However, the Russian side was not yet happy with its share of neighboring Kazakhstan's oil wealth. Russia's interests were ultimately taken into consideration. There were substantial changes in the allocation of shares in the Caspian Pipeline Consortium, which will build the main pipeline from the mighty Tengiz field in Kazakhstan (its reserves are estimated at between 6 and 9 billion barrels of oil) to Novorossiysk. Along with the three partners who founded the consortium — Kazakhstan, Russia, and the Sultanate of Oman, which reserved a 50-percent share for itself — the Russian Lukoil and Rosneft firms will be involved in laying the pipeline in conjunction with Chevron, Mobil, Orix, Agip, British Gas, and Kazakhstan's Munaygaz [name as transliterated]. They all shared out the second half of the consortium.

Not three days had elapsed before another event occurred, again in Almaty, which was undoubtedly due to the amended decisions on the "Kazakhstan-Russia" pipeline. Now shares were divided up within the Tengiz oil field (the Tengizchevroil joint venture). Mobil, which was the first to sniff out the tremendous profits which will become a reality when Kazakhstani oil leaves the republic, is buying from Kazakhstan a 25-percent share in the Tengiz field. The situation is now as follows: Chevron still holds a 50-percent stake while the Tengizmunaygaz State Production Association and Mobil have 25 percent apiece. Kazakhstani Oil and Gas Minister N. Balgimbayev said that the agreement signed 3 May between the Republic of Kazakhstan and Mobil on the buying and selling of the 25-percent stake, "along with the recently signed protocol on the construction of a pipeline system, is a strategic necessity for the fullest exploration of the Tengiz field."

When the document was signed it was said that 72 percent of the value of the oil extracted would now remain in Kazakhstan, since Chevron and Mobil pay taxes, royalties, customs fees, and transport costs in the republic.

Observers believe that Russia's Lukoil, Rosneft, and other companies have still not had the last word as regards their involvement in the work on Kazakhstan's oil field.

Russia: Moscow Deals 'Stoically' With New Turkmen-Iranian Railroad

MK1405113896 Moscow KOMMERSANT-DAILY in Russian 14 May 96 p 1

[Report by Konstantin Levin under the "'North-South' Transport Corridor" rubric: "The Great Silk Road May Also Pass Across Russia"]

[FBIS Translated Text] Yesterday, the Allah-forsaken settlement of Sarakhs, located on the Iranian-Turkmen border, saw an event that could arouse it from its lethargy. Sarakhs, near which there is no airfield — not even a small one — brought together the presidents of Iran and the former Central Asian Soviet republic, as well as Aleksey Bolshakov, deputy prime minister and representative of the Russian president. The new railroad, which will link Turkmenistan's Tedzhen with Iran's Mashhad via the frontier town of Sarakhs, is not only the last link in the rail equivalent of the Great Silk Road, but it also opens up opportunities for Russia to add its own northern branch to this most ancient of roads. Russia itself has so far preferred pointedly to ignore the fact that the new railroad considerably limits its influence in the region.

Furthermore, it largely changes the nature of Russia's relations with the states of Central Asia. If, up to now, these landlocked countries have been connected with the outside world through the network of Russian railroads, now it is Russia's turn to be interested in using the opportunity to reach the Indian Ocean that this project opens up. By transporting its freight across the territories of Kazakhstan and Uzbekistan, its firms can achieve a considerable economic effect, because this will effectively restore the rail link to Iran that was severed by the Karabakh conflict. In 1990, the transit of freight across the Russian railway network from Northern and Western Europe to Iran (the last Soviet station is Dzhulfa in Nakhichevan) reached 2 million tonnes.

Yet, the route to the Gulf via Uzbekistan is too long for Russia, for which reason last year a Russian-Turkmen agreement was reached on cooperation in the creation of a "North-South" transport corridor, which is due to link Astrakhan with the Iranian border — inclusive of the area of Sarakhs. This 441.5-km-long railroad is planned to run along the eastern shore of the Caspian Sea across the territories of Kazakhstan and Turkmenistan; furthermore, the railroad from Astrakhan to the Mangyshlak peninsula was built back in the Soviet era. In the estimation of the Russian planning and surveying agencies, capital investment in the construction of the new railroads and for renovation of the old ones, which are due to form the foundation of the "North-South" transport corridor, will reach about $3 billion. It is expected that this money will be paid off quickly by the Russian and Turkmen sides. The point is that, as a result, the distance between Europe and Iran will be cut by 600 km as compared to the Uzbek equivalent; so the consignees will save $15 per tonne and, in the bargain, cut two days travel. For this reason the hopes of the "North-South" corridor designers in attracting new customers for Russian and Turkmen railroads do not appear to be groundless.

As of yet, however, the "North-South" transport corridor exists only on paper. In the short run, it is mostly the Asian states that will benefit from the operation of the Tedzhen-Sarakhs-Mashhad rail link. Essentially, the Sarakhs stage marked the completion of a major trans-Asian railroad that drastically shortens the way from Shanghai to the Persian Gulf. The cost of the transportation of freight from China or Japan to Iran — and, subsequently, to Europe — along this route can be reduced by about 25-30 percent in both time and money. At the same time the Central Asian states will effectively gain transport independence from Russia; export freight flows to Europe from Central Asia can largely be switched from Russian to Iranian railroads.

Despite possible losses from the resuscitated Great Silk Road, Moscow has so far remained stoically self-composed. The Russian government's calculations are based not only on the plans for joining the trans-Asian rail link from the north. More important, it can finally reach agreement with Iran, Turkmenistan, and Kazakhstan on the legal status of the Caspian Sea. The solemn ceremony of inaugurating the Tedzhen-Sarakhs-Mashhad railroad, attended by the top leaders of these countries, opened up yet another opportunity to reach a compromise concerning control over the production and export of Caspian oil. Ceremonies and signs of attention are much valued in the Orient. It is not by chance that Deputy Prime Minister Aleksey Bolshakov handed to the presidents of Iran and Turkmenistan, Hashemi-Rafsanjani and Niyazov, personal messages from Boris Yeltsin that focus largely on the problem of the Caspian region countries' energy security.

Political Issues

Russia: Yeltsin, Chernomyrdin Discuss Social, Economic Situation

LD1405153896 Moscow INTERFAX in English 1515 GMT 14 May 96

[FBIS Transcribed Text] MOSCOW, May 14 (Interfax) — Russian President Boris Yeltsin and Prime Minister Viktor Chernomyrdin considered the socio-economic situation in the country during their meeting in the Kremlin on Tuesday, Yeltsin's press spokesman Sergey Medvedev told Interfax.

Yeltsin and Chernomyrdin focused on the payment of wages, pensions and other social payments in the Russian regions, he said.

Chernomyrdin also informed Yeltsin in detail about the session of the State Commission for Chechen Settlement that was held earlier in the day, said Medvedev.

Yeltsin and Chernomyrdin considered preparations for the Commonwealth of Independent States summit in Moscow planned for May 17.

They also discussed personnel issues, Medvedev said. The spokesman does not discount the possibility that new appointments may be made within the Russian government.

Russia: Yeltsin Reappoints Khlystun as Agriculture Minister

LD1405162896 Moscow INTERFAX in English 1612 GMT 14 May 96

[FBIS Transcribed Text] MOSCOW, May 14 (Interfax) — Russian President Boris Yeltsin reappointed Viktor Khlystun as food and agriculture minister, a position Khlystun held in 1991-95.

The presidential decree appointing Aleksandr Zaveryukha as acting food and agriculture minister has been invalidated, the presidential press service told Interfax. Zaveryukha is a deputy prime minister in charge of agriculture.

Khlystun was dismissed from his ministerial position following the December 16 parliamentary elections and was vice president of the Agroprombank until his reappointment.

Russia: Chernomyrdin Fails To Appear at Duma Session

LD1505083596 Moscow ITAR-TASS World Service in Russian 0744 GMT 15 May 96

[FBIS Translated Text] Moscow, 15 May (Itar-Tass) — Russian Prime Minister Viktor Chernomyrdin could not take part in today's plenary session at the State Duma and asked First Deputy Prime Minister Vladimir Kadannikov to represent him there. Duma chairman Gennadiy Seleznev said this opening the session.

He said that on 14 May at 1600 he had a conversation with Chernomyrdin and the latter confirmed his intention of taking part in the plenary session. However, Seleznev said, at 1900 Chernomyrdin told him that he would not be able to attend the State Duma session and that he had asked Kadannikov to do it for him.

Seleznev did not give any reason why Chernomyrdin was not taking part in the session of the house.

Russia: Chernmomyrdin Greets Russia Is Our Home on Anniversary

MM1405142796 Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 1

[Unattributed report: "The First Year Is Not the Last"]

[FBIS Translated Text] The founding congress of the Russia Is Our Home [NDR] all-Russia sociopolitical movement was held a year ago.

NDR Council Chairman Viktor Chernomyrdin has sent greetings to the leaders of executive committees and to the movement's members and activists. "As in June and August 1991," the greetings message reads, "Russia is once again at a crucial stage of its history. The country's future largely depends on who becomes head of state and leads the fatherland into the new century and new millennium.

"Our candidate is Boris Nikolayevich Yeltsin, Russia's first president.

"The challenge of history is too serious, and the stakes too great [to do otherwise]. It is our civic and political duty to give effective support to the man whose name is rightly associated in Russia and abroad with the reforms whose scale is unparalleled in the world and with the man who has linked his name forever with the new, free, and democratic Russia.

"We are confident that our candidate will triumph. Common sense will triumph, and the people will triumph, because this will be their choice. Russia will triumph!"

Russia: Differing Views of NDR Movement Cited

MM1505100196 Moscow ROSSIYSKAYA GAZETA (DOM I OTECHESTVO Supplement) in Russian 13-17 May 96 p 1

[Unattributed report comprising interviews with political and other figures on first anniversary of "Russia Is Our Home" movement: "Happy Anniversary to Us!"]

[FBIS Translated Text] On 12 May 1995 delegates of the "Russia Is Our Home" movement gathered for their first congress.

On the eve of "Our Home's" anniversary, DOM I OTECHESTVO correspondents asked prominent Russian politicians to answer two questions:

1. How do you rate the activities of the "Russia Is Our Home" [NDR] movement over the year?

2. If V. Chernomyrdin leaves the post of prime minister, what, in your view, are NDR's future prospects?

Here are the replies we got:

Akhsarbek Galazov, president of the Republic of North Ossetia- Alania and member of the Federation Council:

1. I rate NDR's activities very highly. The movement's main task has been to achieve political stability through a concerted effort by all parties and organizations and all people who are interested in the implementation of economic reforms in Russia. The Russian regions are tired of political populism and confrontation between all branches of power. At present society more than ever requires financial stability, support for the Russian commodity producer, and intensification of the agricultural reform. In spite of the dreadful blows that fate has dealt us, stability has been maintained in our republic. The NDR movement is regarded here as the first step in putting the Treaty of Public Accord into effect.

2. The movement is to a large degree linked to the activities and authority of government head Viktor Chernomyrdin, who is doing much to help Russia progress along the path of reform. In my view he does not need to go anywhere. I believe that Boris Yeltsin will win at the forthcoming elections. Alongside him will be Viktor Chernomyrdin. This will be a good thing for multiethnic Russia.

Ivan Rybkin, State Duma deputy:

1. I consider it to have been a successful year.

2. Not the best. But you see, V. Chernomyrdin cannot go into the political wilderness. If he remains the movement's leader, the NDR's prospects can be rated optimistically enough.

Boris Fedorov, leader of the "Forward Russia!" movement:

1. As expected, the past year has confirmed the artificiality of the NDR's formation. This is an incomprehensible and failed organization, as the parliamentary elections demonstrated. The simple fact was that inasmuch as President B. Yeltsin stood above the parties, the prime minister had to round up nomenklatura workers in order that this "party of power" could exist.

2. There are no two ways about it, as soon as Chernomyrdin ceases to be government chairman, the NDR will cease to exist; it will fall apart.

Aleksandr Shokhin, first deputy chairman of the State Duma:

1. It became clear over the year that the movement had come of age. First, since the parliamentary elections the NDR has been the third largest faction in the State Duma and a very active one at that. Second, the NDR has become the nucleus of those constructive forces which have now united around Russian presidential candidate Boris Nikolayevich Yeltsin.

2. It cannot be denied that V. Chernomyrdin has given the movement great impetus. But it seems to me that the fate of such an established movement as NDR cannot depend too much on whether Chernomyrdin is prime minister or not. There have, after all, been precedents in other parties whereby their leaders have left high-level government posts but their parties did not particularly suffer as a result of this.

Vladimir Zhirinovskiy, LDPR [Liberal Democratic Party of Russia] leader:

1. What is the NDR? I don't know of such a movement! It is a reckless government structure and certainly not a movement. There are no ordinary people in it, only administration cadres. NDR officials have taken over premises belonging to the administration and are not paying any rent. The treasury is paying them for their work. Movements are not formed in this way!

2. Chernomyrdin will go and someone else will replace him. A structure such as the NDR will remain for as long as this government exists, and who leads it is of no importance.

Farid Mukhametshin, prime minister of the Republic of Tatarstan:

1. In the State Duma election on 17 December of last year, Tatarstanis showed a preference for the NDR with 29 percent of our electorate voting for the movement. Such is our objective assessment of that carefully conceived political and economic line which

we here definitely associate with the figure of Viktor Stepanovich Chernomyrdin. Another criterion by which you can judge the NDR's achievements over the year are the activities of its faction in the Russian parliament. I believe that the faction is a stabilizing factor in the Duma. So the NDR's prospects depend, first, on whether this movement's representatives in the Duma manage to find a common language with all those deputies who are capable of constructive dialogue. Second, it is essential that the government make an enormous effort to establish order in the country so as to conquer the dangerous inclinations in Russians' moods.

2. I think the movement will lose a lot. After all, many, if not most, of those who cast their vote for the NDR 17 December were voting for Chernomyrdin.

Yegor Ligachev, former member of the CPSU [Communist Party of the Soviet Union] Central Committee Politburo:

I do not accept the NDR as a movement, a political force. This is a specifically Muscovite organization drawn from the elite, a team of bureaucrats from the ruling structures: This is what the NDR is all about — it has no future. You cannot even call it a movement let alone a party. You surely cannot compare the NDR to the CPSU or even the Communist Party of the Russian Federation? Where is the link with the regions and the toiling masses? There isn't one. The people who have come together in it are simply trying to duck the responsibility for what they have done Yeltsin's years in power.

Aleksandr Lebed, State Duma deputy:

1. The "party of power" in Russia has always been ill-starred. The NDR is a case in point. They spent money on advertising and the mass media, enjoying official support and the services of the local administration — but they only received 10 percent of the vote in the December elections. This is not even funny — it is just in the nature of things. It is payment for all the mistakes made during the years of the reforms, which cannot be compensated for by the scale of and resources pumped into the campaign. Much is asked of him to whom much is given. Therefore, the NDR's activities have achieved one thing: a record of failure according to the criterion of expenditure measured against the effectiveness of its election campaign. This is indeed a lesson for anyone in power.

2. Two things may happen: Either the NDR will share the fate of Gaydar's party and be consigned to oblivion, or a new leader, and very likely a new prime minister, will emerge. It is unimportant which member of the nomenklatura proclaims that Russia is "their" home. It is important that the nomenklatura considers him to be "their" man — the people's opinion can be discarded. But there is a danger that the party may also be discarded. A party leader is not the same as a premier. Other demands are made of him. We can now say that the "party of power" does not have a leader of the appropriate standing. It is just as obvious that the country needs a strong right-wing party — the opposition Communist Party of the Russian Federation. What will emerge from all this, only time will tell. One thing is clear: The nomenklatura can no longer accomplish its election tasks using the old methods. The country has changed now. And passions are different.

Nikita Mikhalkov, film producer:

1. I think that when such a powerful faction — the third largest in the State Duma — is created in the space of a single year, this is in itself an achievement.

2. The movement exists and has defined itself as a centrist force without any deviation to the right or left, so there will be no significant change for the NDR with the possible departure of Viktor Stepanovich from the post of premier. The parliamentary mechanisms for influencing policy will still remain afterward.

So Who's Flipped, Then?

[Unattributed commentary] What names the NDR was given when the movement had just announced its arrival a year ago! — "Our Home Is a Prison," "Ward Six" [referring to an inhumane mental asylum ward in the eponymous short story by Anton Chekhov], "It's Flipped" ["Krysha poyekhala": literally means "Its roof has gone"; the NDR logo is a pair of hands making the shape of a roof], "Russia Is Their Home. But Where Is Ours?" Many people zealously sought to pin labels on it. But what is the situation today, a year on? Passions have noticeably abated as "Our Home" has come of age as a political movement. It is well built. Its roof is still there.

The NDR's founders have been able to take their first organizational mistakes into consideration. The principles proclaimed by NDR — creating normal conditions for the lives of normal people in a normal country — are acquiring a realistic meaning.

"Our Home" has over the past year become a stable, balanced, and creative force in Russian society. The NDR has "set up home" in the regions; it is open to all. "Our Home" sees as its first priority uniting the supporters of democratic transformations around the current Russian president. The NDR's voice becomes firmer and more audible with each day.

Judging by the results of a snap poll, attitudes toward the NDR in our society are very varied, from Ivan Rybkin's polite neutrality to Vladimir Zhirinovskiy's open rejection. Strictly speaking, we should not expect anything else.

Russia: Duma Committee Head Criticizes Moscow's Handling of Budget

LD1505112696 Moscow INTERFAX in English 1045 GMT 15 May 96

[FBIS Transcribed Text] MOSCOW, May 15 (Interfax) — Chairman of the State Duma Budget Committee Mikhail Zadornov urged the deputies to qualify as unsatisfactory the government's work to shape the revenue part of the state budget and to demand that the government strictly observe the Law on the 1996 Federal Budget.

Presenting a report on the implementation of the 1996 budget at a full session of the State Duma, he said that the shortfall in the revenue part of the budget was unprecedented over the past two years.

The main report on the 1996 budget and on the social and political situation in the first quarter was presented by First Deputy Prime Minister Vladimir Kadannikov.

Zadornov argued that the enterprises' credit debt, which reached 176 percent of the GDP, was the main reason why the revenues stood at only 70 percent of the target figure. He also said that the enterprises are trying to shift a larger part of their debt over to the government.

A serious shortfall in tax collection, an inefficient bankruptcy mechanism and the appearance of a series of populist presidential economic decrees are impelling the government to increase the volume of internal and external borrowing to an inadmissible level.

He said that the yield on treasury bills, which stood at 40-50 percent in January to May, began to rise sharply and reached 160-180 percent in May. Russia's external borrowings sharply increased, too, and exceeded 20 trillion rubles in the first quarter, he said. So, 40 percent of the annual limit of external borrowings was used in the first quarter.

He disagreed with the assertion by Kadannikov that the government had fully repaid its wage debt to the state-run enterprises. Zadornov alleged that according to the State Duma's sources, the wage debt amounted to 3.5 trillion rubles as of April 15.

Russia: Planned 'Sliding Peg' for Ruble Exchange Rate Explained

MM1505082596 Moscow FINANSOVYYE IZVESTIYA in Russian 14 May 96 p 1

[Report by Ivan Zhagel: "Government Decides To Peg Dollar Rate to Inflation" — received via Internet]

[FBIS Translated Text] The protracted expectations of virtually all Russian citizens, and not just foreign-exchange market players, about a future "exchange-rate band" have finally ended. We have learned from reliable sources at the Central Bank that the band will be replaced as of 1 July by a so-called sliding ruble-dollar peg.

To all intents and purposes this new currency regulation mechanism can be called a sloping exchange-rate band. But the Central Bank and the government have been abused so often — and not always fairly — for the method they have used that, the source noted, it has been decided not to use the word "band" any more.

The essence of the ruble-dollar sliding peg mechanism will be that the Central Bank forecasts exchange-rate changes through the year's end. On this basis a grid can be compiled which will make it possible to calculate the central rate literally every day in the second half of the year. Additionally, small and strictly limited fluctuations will be permitted.

Moreover, the Central Bank will publish tables of changes in the lower and upper limits of the exchange-rate band for each day through the year's end. This will render the Russian foreign-exchange market even more predictable, make life considerably easier for all participants in foreign economic operations, strengthen our foreign partners' confidence in our currency, and create the conditions for transition to full ruble convertibility.

Undoubtedly the most interesting question is: What ruble rate will be determined for the year's end? But this figure is currently being kept secret and will most probably be revealed by the president or premier, who in literally the next few days will be issuing a policy statement on the prospects for currency regulation.

At the same time, we already know for certain that exchange-rate changes will be pegged to predicted changes in inflation, with a small lag. That is, when it comes to the ruble exchange rate the Central Bank will continue to try to maintain its role as a kind of anchor, holding down price rises.

It has to be admitted that the lack of any link to inflation was the biggest shortcoming of the "exchange-rate band" and one that Russian importers most often bemoaned. On the other hand, the former tough restrictions may have been necessary. At any rate, we can state that the replacement of the "exchange-rate band" by a "sliding ruble-dollar peg" marks the transition from currency regulation mechanisms akin to hammering inflation to more subtle instruments.

We have learned from the Central Bank that the new currency regulation mechanism has been coordinated with international financial organizations, including the IMF. Moreover, it is similar to the foreign-exchange policy implemented in Poland, Israel, Mexico, and Chile, where managed rate systems are linked to inflation.

Finally, we have learned that a new mechanism for determining the official ruble rate will be introduced as of 1 July. This will no longer be geared solely to the results of trading on the Moscow Foreign Exchange Market, but will also take interbank market trading into account. Incidentally, this decision stems logically from the transition to the ruble-dollar sliding peg.

Russia: Duma Deputy Speaker on Professionals Staying in Government

LD1505082796 Moscow ITAR-TASS in English 0452 GMT 15 May 96

[By Yevgeniy Tkachenko]

[FBIS Transcribed Text] CHELYABINSK, May 14 (Itar-Tass) — "A considerable number of professionals who are now in the Russian government should keep their posts, whatever the presidential elections results," Sergey Baburin, the Deputy Speaker of the Russian State Duma, told a news conference in Chelyabinsk on Tuesday [14 May]. He is on a three-day visit in Chelyabinsk. "Professionalism in the Cabinet must be above party preferences, although the government on the whole should change," he said.

The leader of the Russian Popular Union political party made no secret that he believes that there must be another President. He would prefer Gennadiy Zyuganov as President.

"A large number of Russian voters have not yet decided for whom they will cast their ballots," Baburin said. He believes much will depend on the situation right before the day of voting, as well as on the course of canvasing, and even on the weather on June 16.

Russia: Economics Minister Seeks Closure of Weak Enterprises

LD1405202296 Moscow ITAR-TASS World Service in Russian 1126 GMT 14 May 96

[By ITAR-TASS parliamental correspondent Lyudmila Yermakova]

[FBIS Translated Text] Moscow 14 May (Itar-Tass) — "A new, rather major alteration to economic policy is necessary," Russian Minister of Economics Yevgeniy Yasin thinks. Addressing the roundtable meeting in the Federation Council on the topic "Economic policy in the Russian Federation: the need for amendments," the economics minister acknowledged the need to "place more emphasis on production and seriously restructure it" as "steady stabilization is possible only when production is efficient."

The minister said tax collection is the key problem. Taxes must be reduced but Yevgeniy Yasin thinks that "one has to learn to collect them first." He said that the government has proposals in this respect. Specific attention will be given to preventing various ways of evading taxes.

Noting that the economy is "now experiencing an acute structural crisis," the minister said that weak enterprises should not be spared to the detriment of the rest. "We can support inefficient industries but this will not result in boosting the economy. It will prevent us from getting out of the crisis," Yevgeniy Yasin said.

He said that the first quarter of this year will be marked by "a continuation of positive tendencies and also by an increase in tension." However, the results of policy changes should begin to tell in the near future, the minister promised.

Military, Nuclear & Space Issues

Russia: Defense Industry Committee Upgraded to Ministry

MM1505105396 Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 4

[Russian Federation President Edict No. 686 "On Improving the State Management of the Defense Industry" signed by President Yeltsin in Moscow on 8 May 1996, under the general heading "Restructuring the Defense Sector" — from the 'Documents' section]

[FBIS Translated Text] In order to improve the state management of the defense industry, I decree that:

1. The Russian Federation State Committee for the Defense Sectors of Industry is to be transformed into

the Russian Federation Ministry of the Defense Industry (Minoboronprom Rossii).

2. The following amendments and additions are to be made to the structure of the federal executive organs as approved by the Russian Federation President's Edict No. 66 "On the Structure of the Federal Executive Organs" of 10 January 1994 (SOBRANIYE AKTOV PREZIDENTA I PRAVITELSTVA ROSSIYSKOY FEDERATSII, 1994, No. 3, p. 190):

the words "Russian Federation Ministry of the Defense Industry" are to be added to point 1, section II of the aforementioned structure;

the words "Russian Federation State Committee for the Defense Sectors of Industry" are to be deleted from point 2, section II of the aforementioned structure.

3. The Russian Federation Government shall:

adopt decisions on questions of the activity of the Russian Federation Ministry of the Defense Industry;

ratify within two months the statute on the Russian Federation Ministry of the Defense Industry, paying special attention to the enhancement of its role in the restructuring of the defense industry and the maintenance of the necessary level of defense industry potential;

make its decisions accord with this Edict and submit proposals on amendments to Russian Federation legislation in the prescribed manner.

[signed] B. Yeltsin, president of the Russian Federation

[dated] The Kremlin, Moscow, 8 May 1996
Edict No. 686.

Russia: Arms Traders Warned To Stick to the Rules

MM1405145396 Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 6

[Russian Federation Government Directive No. 692 signed by Russian Federation Government Chairman V. Chernomyrdin in Moscow on 27 April 1996: "The Government Warns..."; from the 'Documents' section]

[FBIS Translated Text] With a view to preventing the possibility of political, economic, or scientific-technical damage to the Russian Federation, ruling out unscrupulous competition, and enhancing responsibility for the implementation of state policy in the sphere of military-technical cooperation with foreign countries, industrial enterprises which have secured the right in accordance with the established procedure to participate in military-technical cooperation are to conduct their activity at all stages of cooperation only by agreement with the Russian State Committee for Military-Technical Policy in strict accordance with the Statute on Military-Technical Cooperation Between the Russian Federation and Foreign Countries approved by Russian Federation Presidential Edict 1008 of 5 October 1995 (SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII, 1995, No. 41, p 3876).

Following a representation from the Russian Federation Interdepartmental Coordinating Council for Military-Technical Policy, enterprises which violate the procedure established by the said statute are stripped of the right to participate in military-technical cooperation with foreign countries.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Government

Russia: 'Dal' Chemical Contamination Detection System Profiled

MM1405151796 Moscow Russian Public Television First Channel Network in Russian 0854 GMT 11 May 96

[From the "Army Magazine" program: Report over video profiling unique chemical contamination reconnaissance vehicle; figures in brackets denote broadcast time in GMT in hours, minutes, and seconds]

[FBIS Translated Text] [091448] [Unidentified correspondent over various views of chemical contamination reconnaissance vehicle exterior, interior, and in action] There are only 10 vehicles of this kind in the world, and eight of them are in the arsenal of the Russian Army. Because of the total lack of information about them, they have been dubbed "Flying Dutchman" in the West. Foreign special services are constantly tracking each of these vehicles.

"Dal" — this is the name of the world's first system for remote chemical reconnaissance equipped with a laser locator. It was developed as a response to the large-scale environmental contamination resulting from the accident at the Chernobyl nuclear power station. Thanks to the hard work of scientists, the latest chemical reconnaissance system was supplied to the forces in 1991.

It is designed for remote detection of the contamination of the above-ground stratum of the atmosphere over an area of 75 square kilometers. It is capable of conducting observations in autonomous mode for more than 10 hours. The system is mounted and an amphibious tracked chassis with a high off-road capability. It incorporates the latest radiation, chemical, and bacteriological reconnaissance instruments and laser apparatus for the remote detection of any toxic aerosols. The time needed to reproduce the necessary information on 360-degree observation indicators does not exceed two seconds. The crew of the "Dal" system comprises only three people, who, with the help of special instruments and television cameras, can carry out autonomous reconnaissance at any time of day or night.

At present foreign armies simply do not possess similar vehicles. This is not because there is no need for them, but because they are very expensive to buy and even more expensive to develop. [091643] [video shows exterior, interior of reconnaissance vehicle, vehicle going through its paces]

Russia: Nuclear Experts Assess April Nuclear Summit

MK1405135996 Moscow NEZAVISIMAYA GAZETA in Russian 14 May 96 p 6

[A.V.-signed report: "Results of Nuclear Summit"]

[FBIS Translated Text] An expanded meeting of the scientific council was held in the "Kurchatov Institute" Russian science center [RNT's] to consider the results of the April Moscow nuclear safety summit of the heads of state of G-7 and Russia. What do the summit's results mean for the RNTs, is the way the main question that was put before the scientific council was formulated. Academician Yevgeniy Velikhov, "Kurchatov Institute" RNT's director, noted, first of all, that the scientific background [transliterated in Russian] of the meeting for the Russian leadership had been created by a special group formed precisely in the RNT's. "Even if all of our proposals were included in the final documents of the meeting," Yevgeniy Velikhov underlined, "very many of them were heard in the Russian president's remarks." To the academician's mind, we were regarded ten years ago as a country that created nuclear engineering based on improper technologies. Today, they regard the Russian atomic community everywhere in the world in an equal partnership. For example, the design of the European reactor being developed jointly with France and Germany, widely uses Russian approaches, in particular, the work on melted fuel and hydrogen safety. That a summit was held with this theme indicates that the world community has, at long last, come to think of atomic engineering as an international affair. This realization is exceptionally timely. Indeed, Academician Velikhov thinks, another pre-Chernobyl situation has taken shape in the world today: "The whole thing turns on the control over operations and procedures; everything is technically ready to destroy the planet."

The greatest worry with regard to the development of the atomic sector in Russia is caused by its designing component. The funding and control over the design of nuclear power plants does not have an actual material and legal foundation. In order that atomic engineering should develop normally in Russia, there should be the normal development of open society in our country. It is no accident that the design options of the Chernobyl-type reactors (RBMK) used to be classified. The April summit signified an actual transition from the conception of "aid" to the conception of "joint projects" with Russia's cooperation. Under the new situation, the Kurchatov Institute scientists are sufficiently optimistic about their prospects. The "Kurchatov Institute" RNT's, they think, should be a mediator between the West and Russia's atomic community.

Russia: Funds Allocated To Resume Nuclear Plant Construction

LD1505085996 Moscow INTERFAX in English 0723 GMT 15 May 96

[FBIS Transcribed Text] Ozyorksk, Chelyabinsk May 15 (Interfax) — The Russian Government will allocate 15 billion rubles this year to resume construction of the South-Ural nuclear power plant in the Chelyabinsk region, Russian First Deputy Prime Minister Oleg Soskovets, on a visit in Ozyorsk, told journalists.

However, not less than 65 billion rubles is needed this year to build the nuclear power plants, he said. The economics and finance ministries have been commissioned to find additional funding sources for the construction, he said.

The ecological situation in the region will be improved after the South-Ural nuclear power plant is put into operation, Soskovets said. The plant is being built on land contaminated with radiation and will use radioactive water as a cooler for the turbines' condensers.

A total of 7 million cubic meters of water from the series of reservoirs on the Techa River will be utilized only for exploitation of the first power generating unit. Radioactive waste from the industrial association Mayak have been dumped into the river for several decades.

About 400 million cubic meters of water containing radioactive substances have been accumulated in the series of reservoirs, according to the Atomic Energy Ministry.

Soskovets said the reactors will work on plutonium, which will help reduce the stored reserves of this nuclear material. About 5,000 new job opportunities will be created in the region after the South-Ural nuclear power plant is put into operation, Soskovets said.

Russia: Space, Missile Sector's 'Considerable Achievements' Noted

MM1505104596 Moscow KRASNAYA ZVEZDA in Russian 15 May 96 p 1

["Own Information" report: "Defense Ministry Has Vital Interest in Strengthening Positions of Missile Manufacturers"]

[FBIS Translated Text] Russian First Deputy Defense Minister Andrey Kokoshin delivered a speech at a ceremonial meeting to mark the 50th anniversary of the national missile-space sector, chaired by Oleg Soskovets, first deputy chairman of the Russian Federation Government. On behalf of the Defense Ministry he congratulated all the industry's workers, their families, veterans, and past and present leaders of the missile-space sector and thanked them for their tremendous work.

During his speech and conversations with industry workers Andrey Kokoshin noted that the national missile-space industry consists of not just the motherland's nuclear missile shield but also an extremely broad range of early-warning, communications, navigation, target designation, cartography, and other systems. Among other things these systems act as the basis for the use of conventional high-precision weapons and for information warfare.

Over the last few years, relying on the achievements of previous years and on the latest developments, national science and technology has made considerable achievements in this sphere at the highest world level despite all the country's difficulties. Promising new equipment is tested regularly and highly sophisticated arms systems are being put into service.

The technologies that have been accumulated in the missile-space industry should help to develop the national economy as a whole and to step up production of various types of civilian science-intensive output, sales of which would increase the country's national wealth and our people's incomes. Tough competition necessitates constant questing, intellectual work, purposeful state policy, and supreme discipline among leaders of our national enterprises, which should form a united front in international markets. Andrey Kokoshin stressed that the Defense Ministry has a vital interest in strengthening the positions of the national developers and manufacturers of missile-space technology.

During the events to mark the 50th anniversary of the missile-space industry the first deputy defense minister also had a number of meetings and conversations with leaders of the sector's enterprises, research institutes, and design bureaus, during which they discussed both current and future problems of military-technical policy.

Russia: Manned Space Flight Program Held Up by Payment Problems

MM1505092196 Moscow KOMSOMOLSKAYA PRAVDA in Russian 15 May 96 p 2

[Report by Valentin Karkavtsev: "The Keys to Future Launches Are in Samara"]

[FBIS Translated Text] It is the first time the Russian space program has suffered such a serious hitch: Because the "Soyuz" rocket is not ready, the next manned flight to the "Mir" station is being postponed from 6 July to mid-August. A 38-year-old French woman, Klodi Andre Dee [name as transliterated], a doctor of medicine, is preparing for this flight as part of the main crew, along with two Russian cosmonauts. It is not yet known how the French national center for space research, which concluded a substantial contract for the flight with the "Energiya" Space Rocket Corporation, will react to this surprise.

In the wake of this, the entire subsequent program of manned flights is disrupted. It is already known that a crew including a representative of Germany will not go into orbit in December — at best this flight will take place in January of next year. The reasons are prosaic — the Samara "Progress" plant is late with the rockets because of payment defaults.

In general, there are more and more complications with manned flights in Russia. Cosmonauts are sent into orbit with the help of the "Soyuz-U2" rocket, which differs from the standard "Soyuz-U" in only one respect: It is fueled by cyclene [tsiklin] — a more energy-intensive fuel, and naturally more expensive. When Yuriy Usachev and Yuriy Onufriyenko were launched in February, they decided to save money and send the crew on a "Soyuz-U" rocket. The decision was made a week before the flight — the cosmonauts had to lose 6 kilograms in weight in a hurry.

Russia: Cosmos Satellite Destroyed; Commission To Probe Accident

LD1405134396 Moscow INTERFAX in English 1318 GMT 14 May 96

[FBIS Transcribed Text] MOSCOW, May 14 (Interfax) — A Russian Defense Ministry spacecraft of the Cosmos series which was launched at 12:55 p.m. Moscow time from the Baykonur cosmodrome has crashed.

The satellite was destroyed, the press service of Russia's Military Space Forces told Interfax. Communication with the spacecraft which was launched with the help of a reusable vehicle Soyuz-U was lost in the 310th minute of its flight.

A state commission made up of military and scientific experts has been formed to investigate the accident.

The commission is investigating possible ignition of the satellite while entering the dense layers of the atmosphere as one of the preliminary versions of this accident. According to the Military Space Forces, the tail cone of the satellite, lost during the first minutes of the flight, was found not far from the launching platform.

The Cosmos satellite was to fulfill topographic survey of the Earth's surface during a month and a half, in particular of the U.S. territory in line with a contract between the Russian inter-branch association Sovinformsputnik and American company Arial Images Inc., along with the program of the Russian Defense Ministry. This contract was signed in July 1995 and named SPIN-2.

Federal Assembly

Russia: Yeltsin, Senators Seen Cool on Public Election Control Law

MK1405124496 Moscow MOSKOVSKIYE NOVOSTI in Russian
No. 19, 12-19 May 96 (Signed to press 13 May 1996) p 7

[Report by Anna Ostapchuk under the "Federation Council" rubric: "Plus or Minus Control"]

[FBIS Translated Text] The Federation Council is due to consider two "political" drafts at its next meeting: on the human rights commissioner and on public control over elections.

One of the first items on the agenda is consideration of the draft law on the human rights commissioner and three related bills. According to MOSKOVSKIYE NOVOSTI's information, the draft has bewildered chamber members by its inherent unfeasibility. Under this document, it takes over one-half of the vote to confirm the candidacy of the human rights commissioner, but it is necessary to muster two-thirds to nominate him. And that at the State Duma, which — owing to its deep divisions — cannot even pass constitutional laws requiring a qualified majority of votes.

Another important question to be discussed by the upcoming session will be the draft law "On Public Control Over Elections." Most Federation Council experts think that, to all appearances, it will not be approved. In the view of staffers of the Federation Council's Legislation Committee, the main reason for that may be the "redundancy" of this law — it largely restates provisions contained in the laws on electoral guarantees and on presidential elections. Meanwhile, there also exists another view, maintaining that neither Boris Yeltsin as a presidential candidate nor most upper chamber members as potential candidates in local or gubernatorial elections stand to benefit from adopting the law at this moment.

Meanwhile, Oleg Gayunov, an author of the law and an expert from the State Duma's Legislation Committee, noted that the lower chamber effectively agreed with all presidential amendments and, therefore, Boris Yeltsin would find it inconvenient to veto it.

Curiously, it was precisely the draft law "On Public Control" that contained the article calling for "a controlled recount of votes," the sole provision in Russian legislation somehow regulating the sensitive procedure for deeming elections to be invalid. At the request of the president the lawmakers replaced it with softer phrasing, stopping short of removing it altogether. Now in the event that a critical mass of violations is unearthed the law calls for yet another — this time across-the-board — recount of votes in the region instead of for new voting. Therefore, virtually all problems relating to the procedure for invalidating an election were left outside the field of cultivated legislation. It should also be noted that the Central Electoral Commission has been one of the staunchest opponents of the bill.

According to MOSKOVSKIYE NOVOSTI's information, being personally reluctant to veto the bill "On Public Control Over Elections," the president conveyed his wishes in that regard to the upper chamber. Yet it is fairly difficult to predict its possible reaction today. A Federation Council staffer told your MOSKOVSKIYE NOVOSTI correspondent: "The senators are so unpredictable that committees often have to draw up two opinions on one bill — one negative and the other positive — and then to see how their views split."

Russia: Premier To Receive 'Bad Mark' From Duma on Budget

MK1505095396 Moscow NEZAVISIMAYA GAZETA in Russian 15 May 96 p 2

[Report by Ivan Rodin: "Chernomyrdin Will Report on State of the Budget"]

[FBIS Translated Text] The Russian government chairman will tell the State Duma deputies today about the utilization of the federal budget and the country's socioeconomic situation over the first quarter of 1996. At an earlier date, his address was supposed to be named as a government report, but Viktor Chernomyrdin disagreed with this formula and hinted that he would not turn up at the Duma for such a discussion. The deputies' desire to see the premier and criticize his economic policy in his presence thus proved stronger than their predilection for showing that various representatives of the executive branch are accountable to them.

Whatever Viktor Chernomyrdin tells the deputies today, the assessment of what he will be saying is already known. The Duma budget committee has already given a mark of "unsatisfactory" for the government's budget performance in the first quarter of this year, as well as for disregarding the federal law "On the 1996 Federal Budget," which was broken on many occasions with regard to procedures and principles of the budgetary process.

In addition to giving the government the "bad mark," the Duma committee plans to hand to Mr. Chernomyrdin a big list of recommendations and proposals on what ought to be done to correct the mistakes and rectify the faults as soon as possible. At any rate, all these things will now be happening on Friday rather than today.

As we know, it is very simple to write that the government works unsatisfactorily into a Duma resolution, and that this statement would entail no consequences. The only way to punish the cabinet for bad work is to raise the question of no-confidence, and, most importantly, to then score more than half of the votes backing this no-confidence motion. Your NEZAVISIMAYA GAZETA correspondent has come to learn that the Yabloko faction, which has long been urging its fellow Duma members to have the Chernomyrdin cabinet resign, will once again trot out this initiative and will once again ask the other lower house factions to back it.

It is clear that the solution to the question of no confidence in the government is in the hands of the Communists and all of their friends in the Duma. The CPRF [Communist Party of the Russian Federation] faction has been put on guard by rumors that an agreement was actually reached between Boris Yeltsin and Grigoriy Yavlinskiy with regard to the seat of premier for the Yabloko leader. I have managed to find put that the Communists will not go and initiate the no-confidence question on their own today, but that they will be attentively listening to Yabloko's arguments, and, most importantly, that they will try to have Premier Chernomyrdin explain whether he thinks of himself as an unattached politician or simply as a performer of the president's will. If the latter is true, as they argue in the CPRF faction, there is no sense at all in dismissing a government that would have to depart anyway two months from now.

Russia: CPRF Deputies' Performance as Lawmakers Criticized

MM1405153496 Moscow IZVESTIYA in Russian 13 May 96 pp 1,2

[Article by Sergey Chugayev: "The Communists Have Turned the Duma Into a Club Where They Discuss Everything Except Laws"]

[FBIS Translated Text] "...'If the Communists come to power'... What does that mean? We are already in power. At least its legislative branch is in our hands." It is hard to disagree with this comment by V. Semago, a prominent representative of the Communist Party of the Russian Federation [CPRF] Duma faction. The Communists' power in the present State Duma is indeed virtually undivided.

It is not enough that at the head of the Duma we have a Communist chairman, G. Seleznev; a Communist vice chairman, S. Goryacheva; and S. Baburin, a vice chairman who is favorably disposed toward them. Out of 28 Duma committees 13 are headed by the Communists and their allies. In the old Duma there were 24 committees. The Communists did not consider that enough. Thus another four committees appeared (each one provided with an apparatus, premises, transport, and everything else paid for from the budget). Three of the four new formations are headed by Communists. One — on culture — is headed by S. Govorukhin, who sympathizes with them. The Communists also control such important sections as the Duma's standing orders group and the credentials commission. In addition they are planning to secure the nomination of their candidate for human rights commissioner.

In short, the Communists have the supreme organ of Russia's legislative power firmly in their hands. They are indeed already in power. How have they used it and how have they demonstrated their ability to lead the state?

In mid-April the Duma Council adopted a decision unprecedented in Russian parliamentary history: To examine the question of legislative activity at a plenary session 17 May. This decision is a tacit recognition of the fact that during its more than three months' activity, the Duma's work has been extremely inefficient. The Communist-led parliament has been almost professionally incompetent.

There are plenty of reasons for this conclusion. From 7 February through 5 April 224 questions appeared on the agenda of State Duma sessions. Of those questions only 97 were dedicated to legislation proper. In other words, deputies spent approximately 60 percent of the time at each plenary session of parliament on the discussion of questions totally unconnected with the Duma's main lawmaking function. On the other hand they willingly spent their time on political debates and the adoption of various political statements, appeals, and declarations. In the Duma's 100 days of activity it adopted 260 decree-cum-statements of this kind. But only 66 draft laws were examined. The timetable for February and March included 185 draft laws. In fact 82 were examined. This represents 44 percent of the plan target. In days gone by enterprise leaders were stripped of their party card for plan indicators like that.

The present Duma's legislative ineptitude is having an impact, albeit not an obvious or always direct one, on the lives of all Russia's citizens.

Let us consider, for example, federal legislation. Out of 30 federal laws whose adoption is envisaged by the Constitution only 12 have been adopted. This means that the following questions have not been regulated by law:

— the procedure governing the adoption of federal laws,

— the activity of federal executive organs,

— the demarcation of areas of jurisdiction between the Russian Federation's organs of state power and its components,

— the procedure for amending the constitutional-legal status of Russian Federation components,

— the legal regime for the state of emergency,

— the procedure for the convocation and activity of the Constitutional Assembly and the Security Council. Most of the draft laws dedicated to these problems were sent to the Duma a long time ago. And there they stopped. For example, the draft law "On the Government" has been there since 1994.

The situation regarding civil legislation is no better. Out of 21 laws envisaged by the new Civil Code the Duma has managed to adopt only one. Meanwhile, the statutes of the Civil Code on civil law entities cannot be implemented without the laws **"On the State Registration of Corporate Entities," "On the Fundamentals of Licensing," and "On Limited Liability Companies."** This means that the legal status of these entities remains unclear and the liability of corporate bodies toward investors remains uncertain.

Imperfections in the current law **"On the Insolvency (Bankruptcy) of Enterprises"** is regarded as one of the main causes for the chronic arrears in the economy.

The absence of the law **"On the State Registration of the Rights to Real Estate and Real Estate Deals"** is leading to the criminalization of the real estate market.

The absence of the law **"On Mortgages"** makes the effective provision of credit to private farms and private housing construction impossible.

According to parliamentary experts, the ideal conditions that exist today for abuses in the state sector of the economy will continue until the laws **"On State and Municipal Unitary Enterprises," "On State Establishments," and "On State Immunity and State Ownership"** are adopted.

Bearing in mind the Communists' dominant position in parliament it is simply impossible to understand what is preventing them from finally adopting a **new** Criminal Code as they enter the elections under slogans about the ruthless eradication of crime. However, the adoption of this law is being constantly postponed. And this is binding the law enforcement organs hand and foot in the struggle against new types of crimes not mentioned in the existing Soviet Criminal Code.

Nor is the Duma capable of adopting such socially necessary laws as **"On the Fight Against Corruption" and "On the Fight Against Organized Crime."**

There has been complete legislative collapse in the social sphere, too. For example, deputies cannot find the time to examine the government's draft law **"On the State System of Health Protection."** There are no laws to encourage the restructuring of the economy, the reorganization of the coal industry, the development of housing construction, and the reorganization of enterprises constituting self-contained cities which are now at a standstill. The transition from the system of pension provision to pension insurance has not been completed yet. In November 1995 the Federation Council rejected the law **"On the Procedure of Reimbursement for Material Damage Connected With the Failure To Comply With Deadlines for the Payment of Wages, Pensions, and Other Social Payments to Citizens of the Russian Federation"** which had been adopted by the State Duma. You would think that there is no problem in the country more acute than the wages and pension arrears. But the lower chamber has still not been able to settle this question with the upper chamber. However, time has been found to adopt the law **"On Cooperation with the Socialist People's Libyan Arab Jamahiriya"** submitted by the Liberal Democratic Party of Russia faction.

S. Belyayev, leader of the Russia Is Our Home [NDR] Duma faction and an initiator of the examination of the question of the effectiveness of the Duma's legislative activity, now comments:

I believe that we should be talking not so much about the Communist deputies' inability to work on legislation as on their unwillingness to do so. So far the CPRF faction has not submitted a single serious draft law. At the same time any proposal by us to examine economic laws quickly, for example, meets with insurmountable opposition from the Communists and their allies.

I think that in fact the Communists' plan is not to improve the economic and social situation in the country but to change Russia's state system.

The State Duma has now been turned into the headquarters of the campaign against the executive. The CPRF faction has even managed to turn a considerable proportion of the Duma apparatus into a party component. At least the parliamentary committees under the Communists' control are the CPRF's very real election headquarters with an apparatus paid for from the budget. Incidentally, we can sense how the recruitment of cadres to the Duma apparatus has changed. The expression of sympathies for the Communist Party is one factor influencing a decision on acceptance for employment.

But it would be wrong to believe that the Communists have an aversion to legislative activity. They are working hard. On **FUTURE** laws. To our knowledge the CPRF is drawing up a set of antimarket acts including a law on nationalization. If G. Zyuganov wins the elections it is planned that the entire set of laws will be presented to the Duma for examination without delay.

Regional Affairs

Russia: Yeltsin To Visit Chechnya Despite Terrorist Threats

LD1505101296 Moscow ITAR-TASS in English 0938 GMT 15 May 96

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW May 15 (Itar-Tass) — Presidential spokesman Sergey Medvedev made it clear on Wednesday that President Boris Yeltsin would go to Chechnya despite terrorist threats to kill him there.

"No matter with which threats they intimidate us, what ultimatums they advance, it would not impede the gradual movement to peace in the Chechen republic", Medvedev told Tass.

"The president does not understand and does not accept the language of threats", Medvedev said and warned the successors of late separatist leader Dzhokhar Dudayev that they would be eliminated themselves if they continue to fight.

"As far as the bandits and their gangs are concerned, who continue to fight in the republic by shooting in the back, uncompromised struggle against them would continue until their complete elimination. Therefore, the Dudayevists are so afraid of his (Yeltsin's) arrival in Chechnya and would do everything to prevent it", Medvedev said.

Chechen terrorist Shamil Basayev threatened in an interview with the Russian NTV network on Tuesday that his fighters would do their best to kill Yeltsin if he arrives in Chechnya.

"We will try to meet him well, so that he never leaves this place", he said, adding that he opposed peace talks with Moscow. "I am standing for war", the terrorist said.

"Yeltsin's visit is the height of insolence. It is a spit in the face of our people, using our pain, our blood for advertising purposes", he said.

But Medvedev flatly rejected allegations that Yeltsin was going to Chechnya for election purposes. "His upcoming trip to Chechnya has nothing to do with advertising", he said, adding that "the head of state is fulfilling his duty of the president and is sincerely interested that peace reigns in the Chechen republic while the Dudayevists do not conceal their interest in the continuation of the war".

The spokesman reiterated Yeltsin's statement that nobody but the head of state can make the warring parties sit down at the negotiating table.

Russia: Commission Asks Yeltsin To Postpone Chechnya Visit

LD1405115896 Moscow INTERFAX in English 1147 GMT 14 May 96

[FBIS Transcribed Text] MOSCOW, May 14 (Interfax) — The leaders of the Russian government commission on settling the Chechen conflict, on advice from federal security ministries, have asked President Boris Yeltsin to postpone his trip to the republic currently scheduled for May, a source told Interfax.

This proposal is one of a set contained in a letter sent to the president by commission chair Prime Minister Viktor Chernomyrdin, the source said.

The document also contains specific suggestions on developing the president's Chechen peace plan, he said.

The armed ministers do not think they can currently provide Yeltsin with the security needed for a visit to Chechnya, he said. Further, there is not yet enough progress in the peace process.

Russia: Kulikov: Wrong Time for Yeltsin To Visit Chechnya

LD1505093096 Moscow INTERFAX in English 0903 GMT 15 May 96

[FBIS Transcribed Text] MOSCOW, May 15 (Interfax) — One cannot start negotiations with such persons as Shamil Basayev, the Chechen separatist commander who headed a terrorist attack on Budennyovsk in southern Russia last summer, Russian Interior Minister Gen. Anatoliy Kulikov told correspondents in Moscow on Wednesday.

He commented on Basayev's interview with the NTV independent TV channel Tuesday night, when Basayev made threats addressed to President Boris Yeltsin.

"Russia has seen once again what terrorism we are dealing with. His speech was a direct threat to Russia's top official, made after the president decided to go to Chechnya for negotiations. With whom should we start the negotiations?" said the minister.

The president has the right to take any decisions, he said, but Kulikov "thinks there are no guarantees for the safety of the president in Chechnya, same as there are no political conditions for his Chechen visit. That is why I am in favor of a different time for this visit. It should be held if the situation changes for the better."

Positive tendencies in the Chechen situation have emerged, said the minister. "Elections of the People's Assembly (parliament) are scheduled for June 16. The government of Doku Zavgayev controls a large part of the territory. Federal troops have stopped major combat operations and taken up special operations in Chechnya," said Kulikov.

He said the gunmen were driven to the mountains to start fierce resistance in west and south Chechnya.

Some 22,500 interior servicemen, 3,500 staffers of interior bodies and 20,000 servicemen of the Defense Ministry are currently in Chechnya, said the general.

Asked about Chechen Deputy Prime Minister Bislan Gantemirov, the minister said Gantemirov is accused of a 33.5 billion ruble theft. He said four accomplices of Gantemirov were detained in Groznyy on May 14. They have started to testify.

Russia: Basayev Calls Yeltsin Visit to Chechnya 'An Insult'

LD1405200596 Moscow NTV in Russian 1800 GMT 14 May 96

[Correspondents report by Aleksey Pobortsev, Ilya Mordzukov, Dmitriy Olchev reporting "from the mountains of Chechnya;" from the "Segodnya" newscast]

[FBIS Translated Excerpt] [Announcer Tatyana Mitkina] It is possible that by 16 June, the day of the presidential election, the settlement of the Chechen crisis will have entered a more civilized phase; although, many in the Chechen camp would not agree. Our special correspondents on the situation in Chechnya. [passage omitted: town of Vedeno now under control of Chechen fighters led by Shamil Basayev; federal forces were pounding it all last night; Basayev out of town today]

We met General Basayev today in a Chechen mountain village. He said he views the intention of the Russian president to come to Chechnya as an insult.

[Begin recording] [Basayev] If Yeltsin comes, it will be for us specifically not just extreme cheek, but a direct spitting in the face of our people. To attempt to use our pain, to use our blood for his self-promotion... We will, of course, take appropriate measures.

[Unidentified correspondent] In other words, you will try to hinder this visit?

[Basayev] Why hinder it? We will do our best to give him a warm welcome, so that he never leaves here. [end recording]

[Correspondent] Furthermore, Basayev said he had received a quite clear order from Aslan Maskhadov, chief of staff of the Chechen armed formations.

[Begin Basayev recording] To step up combat operations with the chief emphasis on sabotage operations. [end recording]

[Correspondent] Shamil Basayev also spoke out against any peace talks whatsoever.

[Begin Basayev recording] Today I am against any talks. I am for war because when you fight Russia properly the civilian population here has few losses and there is little damage, but when there are talks, the war gets more cruel and they shoot in the most cynical way. I am for continuing the war to victory. [end recording]

[Correspondent] But no one yet knows for how much longer the war in Chechnya will go on.

Russia: Chechen Government Official Views Yeltsin's Planned Visit

LD1405153096 Moscow ITAR-TASS in English 1501 GMT 14 May 96

[By Oleg Artyushin]

[FBIS Transcribed Text] GROZNYY, May 14 (Itar-Tass) — A meeting of the government of the Chechen Republic on Tuesday did not discuss questions of Russian President Boris Yeltsin's forthcoming visit to Chechnya. Sanaki Arbiyev, the first deputy premier of the Chechen Government, said this in answer to Itar-Tass request to comment on reports which appeared today that the government meeting in Groznyy "had endorsed the programme of the Russian President's visit" to Chechnya. Arbiyev said there were neither open nor closed-door meeting on this question, so they could not have discussed "which places the President should visit and where he should stay".

A planned meeting of the Chechen Government was held on Tuesday, Arbiyev said. It discussed problems of the development of the building industry in Chechnya, the functioning of housing and communal amenities and their preparation for the winter, as well as a report about the work in these areas from the beginning of the year.

At the same time Arbiyev admitted that the Chechen Government is working out a programme for Yeltsin's stay in Groznyy, but this is being done "as a routine matter".

Russia: Korzhakov's Duty To Guard Yeltsin in Chechnya Emphasized

LD1505114196 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 0925 GMT 15 May 96

[FBIS Translated Text] "The government of the Chechen Republic is ready to greet the Russian president and, as far is as within its competence, to guarantee his security during his stay in the republic," Ruslan Martagov, press secretary to the head of the republic, said in an interview to "Ekho Moskvy" radio station, commenting on the announcement by Shamil Basayev, one of the leaders of Dzhokhar Dudayev's fighters, that acts of terrorism could be carried out against the Russian president. Basayev's statement was carried on NTV Television.

Martagov underlined, however, that "guarding the Russian president is the duty of General Aleksandr Korzhakov and his department, and how seriously one can take what Basayev says is also their affair."

Acts of provocation against the Russian president are possible only in the event "that their roots are in Moscow, not Groznyy," Martagov thinks. "If there is anything to be afraid of, it is only that the blame will then be put on the Chechen people," Martagov said. That is what we here all fear."

According to Martagov, the situation in Chechnya at the moment is on the whole normal. An itinerant session of the republican government is under way in Urus-Martan.

Russia: Yeltsin's Negotiations Plan for Chechnya Questioned

MK1405135596 Moscow NEZAVISIMAYA GAZETA in Russian 14 May 96 pp 1, 3

[Report by Ivan Vladimirov and Andrey Nikolskiy: "The Siege of Urus-Martan Continues. Elections to the People's Assembly Can Put an End to Negotiations"]

[FBIS Translated Excerpt] [passage omitted] Meanwhile preparation continues for the visit to Chechnya by Russian Federation President Boris Yeltsin, who intends to personally open tripartite negotiations with the participation of the Zavgayev Government, the armed opposition, and federal representatives. Yet power department chiefs still express serious concern about the organization of the president's security. This was announced by Sergey Stepashin, secretary of the Russian Federation State Committee on the Chechen Settlement. At the same time he noted that the set of questions related to Boris Yeltsin's trip to Chechnya is currently the focus of attention by the state commission whose chief, Prime Minister Viktor Chernomyrdin, has submitted to Boris Yeltsin proposals concerning the development of the presidential plan for a peace settlement in Chechnya, which call for the invigoration of the negotiating process, including with the participation of representatives of the Chechen diaspora and field commanders.

Even so, the idea of trilateral negotiations, actively promoted by the head of state, has failed to win support not only from the separatist leadership but also from the political forces opposing them. The Groznyy authorities call into question the propriety of the resistance forces' participation in the negotiations. Ruslan Martagov, press secretary of the head of the Chechen Republic, believes that the tripartite negotiations on the peace settlement can backfire because the participation by Dudayev fighters will, in their opinion, elevate them from the ranks of criminals to the level of political opponents of the federal authorities and the Chechen Government. Instead, he proposes an "already existing, efficient instrument for stabilizing the situation in the republic: an internal dialogue." Mr. Martagov expects Boris Yeltsin's visit to Chechnya to produce other results, namely: a solution to problems of financing the republic's economy and the social sector.

Meanwhile the negotiations problem is seriously complicated by the pro-Zavgayev Supreme Soviet's decision to hold elections to the People's Assembly of the Chechen Republic simultaneously with the Russian presidential election, on 16 June. Indications are that the opponents of the Groznyy authorities — including not only the Dudayevites who, contrary to Zavgayev's assurances, constitute an overwhelming majority — will not take part in the so-called "popular expression of will." The actions by the Groznyy authorities, for their part, pursue a double objective: first, to consolidate their own power base — one house of the new parliament will be made up completely of Zavgayev's appointees — and second, to scuttle the negotiations and to prevent the establishment of direct contacts between Moscow and the separatists, as a result of which the official government can in effect be put out of business. After the decision to hold elections, the Ichkeria leadership will end up isolated from the political developments in the republic and, instead of winning recognition as a full-fledged participant in the negotiating process, will fall under the effects of only one statutory act: the Code of Criminal Procedure.

Ruslan Khasbulatov believes that Doku Zavgayev's participation in the negotiations is definitely a losing proposition. He agrees with the separatists in that Zavgayev should represent Moscow, not the Chechen leadership. Moreover, Khasbulatov thinks that if the Russian Federation president really wants to end the conflict, he should first of all get rid of Zavgayev. [passage omitted]

Russia: Maskhadov Seen Seeking End to Chechen Carnage

MM1405120796 Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 7

[Report by Zamid Ayubov incorporating interview with Aslan Maskhadov, chief of Main Staff of Armed Forces of Chechen Republic of Ichkeria; in Shali, date not given: "Aslan Maskhadov: There Is No Need To Fight to the Last Chechen..."]

[FBIS Translated Text] Groznyy — Fall of 1993:

"In the space of two years not only have we not created a single battleworthy regiment or battalion, but we have not even created a company or platoon" (from a speech at an operations conference of command personnel of the Armed Forces of the Chechen Republic of Ichkeria).

End of 1994:

"I could count on the fingers of one hand the number of officers who really meet wartime conditions and on whom we can rely. Does it turn out, then, that only Dudayev and I want this war?" (excerpt from a speech on Groznyy television on New Year's Eve).

Spring of 1995:

"Not only will we not surrender a single cartridge, but we will also replenish our arsenals with trophy weapons!" (from an interview on the Presidential Channel — Chechen Republic of Ichkeria Television).

April 1995:

"We do not urge people to fight to the last Chechen. But neither do we wish to be cannon fodder" (from a speech at a roundtable in the city of Shali).

These are all his words — a colonel in the Soviet Army, a former division commander in the Baltic Military District, a general of the Chechen Republic of Ichkeria, and chief of the Main Staff of the Armed Forces of the Chechen Republic of Ichkeria, which is recognized by no one but which exists de facto and has been opposing the federal authorities for almost five years. He is the man who can rightly be considered the brains of the armed separatist Chechen formations, which are small compared with the Russian Army but are perfectly battleworthy and are obsessed by the idea of a holy war.

I met with Maskhadov after a break of two years. I drove to the city of Shali, intrigued by a report that he would be there, for it would have been unprofessional of a newspaperman not to take the opportunity to see and hear someone who is by no means the least in the rebel Republic of Ichkeria. Although I did have doubts: He would hardly be pleased about a visit by a reporter "from the other side of the barricades," i.e. a representative of a Russian Government newspaper. But Maskhadov, thank God, proved to be above ideological and circumstantial considerations.

The majority of the participants in a congress of parties, rayons, clergy, and the Armed Forces of the Chechen Republic of Ichkeria (God himself had told journalists to come) had undoubtedly come here with a view to meeting with Aslan Maskhadov. Running ahead, I will say that they were not disappointed.

...Arriving a little late for the meeting, the general declined the honor of being seated at the presidium table and sat modestly (guards were a little way away, but alert) in the hall, listening attentively to the speakers. Sensing that he would soon become a "catch" for my colleagues, who have a weakness for interviews with people who are household names, I imperceptibly made a gesture signifying a request to put a question for Maskhadov to an old acquaintance sitting next to him — Ruslan Kutayev, chairman of the Party of National

Independence of Chechnya — who at once secured the general's agreement and gave up his seat to me:

[Ayubov] Aslan! As is known, Yeltsin, commander in chief of Russia's Armed Forces, declared that he would terminate combat operations as of zero hours 31 March. Why has there been no commensurate step by the warring Chechen side?

[Maskhadov] How can I give the order for a cease-fire when federal troops are continuing to wage full-scale combat operations, using aircraft and artillery? While you and I are talking, the population centers of Vedeno, Elistanzhi, Shatoy, Goyskoye, and Bamut are being fired on. (The rumble of guns really could be heard even in the hall.)

Yes, Yeltsin announced the ending of the war. But we military people have a procedure: Orders from the supreme commander in chief are duplicated through the state's military department, specifically the Ministry of Defense. But we have never received through it an order to end the federal troops' combat operations in Chechnya. I can only maintain that the discrepancy between the president of Russia and the military department is a clear demonstration that the Russian Army is ungovernable and is insubordinate to President Yeltsin. To all appearances, these are machinations on the part of the Communists, who in the interests of their own election campaign want to make Chechnya a bargaining chip and are trying to secure political dividends by winning over a section of Russia's generals.

[Ayubov] The names of mutually acceptable participants in the Russian-Chechen talks are now on everyone's lips. Whom would you prefer?

[Maskhadov] There are many sociopolitical forces and people in Russia and Chechnya who seek to get rich out of this war. But, fortunately, there are also many who want to and are trying to end the Chechen carnage at any cost. Among the well-known Russian politicians who take such a stand I would name Vyacheslav Mikhaylov and Arkadiy Volskiy. We only hail and thank such people. [Maskhadov ends]

Then Maskhadov spoke from the stage (not the rostrum). He spoke only in Chechen, but I think it is worth translating individual parts of his speech into Russian:

"Dudayev's words, which were on everyone's lips, about readiness to fight 'to the last Chechen' should not be understood as an axiom or an inevitability. The more lives we save, both Chechen and Russian, the better.

"We hear a lot of argument and reproaches about the detachments that guard population centers. They have been set up on a legitimate basis, in accordance with the Agreement on the Block of Military Questions of 30 July 1995, and are designed for self-defense. These guys have taken up arms out of grief and desperation. They are brave and unhappy at the same time. The detachments certainly have not been created for war against some Chechen opposition. We have had enough of 'positions' and 'oppositions,' and it is time to get together to end the war.

"Let us unite on the platform of those who really seek peace, and let us create a united antiwar front. Then we will recognize the true warmongers. I am sure that they are doomed to defeat and to be cursed by history. Even if they escape judgment by the people, they will never escape God's judgment, which, as [19th century Russian poet and novelist] M. Lermontov put it, 'is not accessible to the chink of gold'!

"I wish to appeal to the organizers of rallies. Do not hold them 'to spite a haughty neighbor,' and do not organize needless demagoguery and hysteria involving the cursing of opponents and the attaching of all sorts of labels. One slogan must sound out clearly and distinctly at the rallies: 'End the war without delay!' Everything else is superfluous, as it were....

"Now about the exclamation 'Allah akbar!' which is a thorn in the side of ignorant people. There is nothing reprehensible about asserting the holy truth: 'Allah is great!' I believe that it is this awareness and the appeal to the Almighty that has helped us to counter a strong enemy so doggedly and for so long and that is still helping us. This is so. But, on the other hand, thanks to Allah's greatness and our best endeavors, may God grant that we will stop the war, the deaths, the tears...."

It is possible to understand from the cited excerpts from Aslan Maskhadov's monologue speech that he appeared to the audience not as a national "kamikaze" or a sword-wielding general but as someone who cares about the fate of his people and who is aggrieved by the deaths, on both warring sides, of peaceful residents. You can see for yourself that nothing human is alien to him. He was perfectly well aware that this war was wanted not by "Dudayev and himself," not by the Chechen and Russian peoples, but by certain mercenary-minded satanic forces. If you were to ask him why, in that case, he has been holding the reins of war for five years, he would be sure to reply: "Once you pledge, don't hedge...."

Circumstances five years ago resulted in Aslan's taking on the thankless and heavy yoke of war, but today, to all appearances, he is not averse to casting it off from himself and from the people, albeit while, understandably, saving face at the same time.

Yes, face.... When Maskhadov came down from the stage of Shali's Palace of Culture to an approbatory buzz and applause, his face was tired — evidently from the war and the bitterness of losses....

Afterword: Substantial changes have now occurred in the Chechen theater of military-political operations. Dudayev is dead, and Yandarbiyev has been declared his successor, and he in turn has displayed a hitherto unwonted readiness to hold talks with Russia.

It is known that many representatives of Russia's political and military leadership prefer Maskhadov in the role of talks partner. There has also been a counter movement from the Chechen side: The quite influential bloc of sociopolitical movements, parties, the National Salvation Committee of the Chechen Republic, and representatives of Groznyy City Assembly, the Armed Forces Main Staff, and temporal and spiritual authorities — the Coordinating Council of the Chechen Republic — unequivocally supports Aslan Maskhadov.

Meanwhile, according to trustworthy information, a number of field commanders (including Basayev) have made attempts to sideline Maskhadov. In this connection Gersolt Elmurzayev, one of the Coordinating Council's cochairmen, declared: "Maskhadov is far from being a pawn and will not let himself be trifled with."

Russia: St. Petersburg Mayoral Candidates Outline Platforms

LD1405224496 St. Petersburg Fifth Channel Television Network in Russian 1805 GMT 14 May 96

[FBIS Report] St. Petersburg Fifth Channel Television Network in Russian at 1805 GMT 14 May broadcasts an "Electing the Governor" program. First candidate is First Deputy Mayor Vladimir Anatoliyevich Yakovlev, who is accompanied by his agent, Igor Sidorov, chairman of St. Petersburg Union of Journalists. Sound quality is very poor throughout.

A promotional video shows Yakovlev and his electoral coalition partners, Vyacheslav Shcherbakov and Igor Artemyev, at a news conference after Shcherbakov and Artemyev had withdrawn their candidatures in favor of Yakovlev, whom they believe can beat incumbent Mayor Anatoliy Sobchak in the election. Other promotional videos, interspersed with live Yakovlev remarks, show him meeting old people who sharply criticize Sobchak's housing policy.

A studio section of the broadcast takes the format of a question and answer session, with questions being posed by Sidorov. Asked about his priorities as a future mayor, Yakovlev says he and his coalition partners will restore industry, especially the construction and transport enterprises.

Yakovlev believes that the main issue to be decided in the election is the shift from big-time politics towards the issues which are closer to home: "We have to make a choice, either politics or the city."

Referring to the allegations about Mayor Sobchak's criminal activities, he says that the elections should have been postponed until the results of the investigation were announced. He also dismisses all rumors about attempts on his life as "provocations" by the Sobchak camp which perceives him as a serious threat.

On electoral ethics, Yakovlev says he is a man who keeps his promises and undertakes to bridge the shortages of medicines within one year of the election and to find housing and employment for officers and their families "instantly" or very soon. He also guarantees that pensions will be paid on time. Asked where he would find the funding for this, he says the money can be found within the existing budget.

Another promotional clip juxtaposes statements made by Sobchak and Yakovlev on the future of St. Petersburg: Yakovlev sees it as a working men's town whereas Sobchak wants to see it as a center of culture and tourism. Press reports suggest that Yakovlev's popularity is steadily growing. He is a man of the people: He does not have a car, he loves cutting grass at his dacha, and he will not take a cushy job in Moscow, despite some rather appealing offers. He urges everyone to vote for everyday life, rather than for the "big policy."

A final video clip in the 25-minute segment shows Yakovlev as "one of us" to the accompaniment of a pop song written in his honor by his fan club.

Next on is Sergey Vasilyev whose promotional video describes him as a 44-year old professional workaholic who is fond of his wife and classical music. He was disgraced after signing a letter supporting Academician Sakharov and worked for many years as a railroad controller. His life changed yet again with perestroyka, when he was appointed director of a major enterprise whose workers put him forward for mayor of St. Petersburg. His impeccable political background and his achievements as a director are seen as his main electoral assets.

Back in the studio, Vasilyev greets his viewers in the traditional Russian Orthodox manner and promises to answer all their questions either during the discussion or later by post. He talks about the importance of making the right choice in the St. Petersburg election.

The remainder of the broadcast is lost to heavy interference.

Russia: Program Launched To Clean Up 1957 Nuclear Accident in Urals

LD1505093696 Moscow ITAR-TASS World Service in Russian 1608 GMT 14 May 96

[FBIS Translated Text] Magnitogorsk (Chelyabinsk Region), 14 May (Itar-Tass) — The Russian Government has passed a resolution covering the period up to the year 2000 on the rehabilitation of the people and land in the Urals region affected by the operation of the Mayak industrial group. Journalists were told this today by Oleg Soskovets, first deputy chairman of the Russian Government, who is on an official visit to Magnitogorsk.

The Mayak industrial group, which was the site of a major radiation accident in 1957, is the biggest enterprise working on multiple aspects of the nuclear industry. The group produces defense-related output, reprocesses nuclear fuel from nuclear power stations in Russia and abroad and also processes and stores radioactive wastes.

The economy and finance ministries have been instructed to put this program on the list of Federal targeted programs and to allocate the necessary capital investment, the resolution says. The government customer commissioning the program is the Ministry of Civil Defense, Emergencies and Natural Disasters.

It is proposed to allocated R297.8 billion from the Federal budget for this clean-up operation in 1996.

Russia: Soskovets Visits Murmansk, Discusses Problems

MM1505103296 Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 pp 1-2

[Article by Vladimir Kucherenko: "Murmansk: Missiles and Problems Have Grown up From Beneath the Snow"]

[FBIS Translated Excerpt] Snow falls thickly here even in May. The Kola Peninsula, our polar region. One of the centers of our power's naval nuclear force. The start of the great Northern Seaway — a "lifeline" to the Arctic and Far Eastern parts of the country. With Russia's only ice-free harbor, washed by the last warm currents from the Atlantic — the Gulf Stream. How are you getting on now, ancient land by the sea?

The Tu-134 with First Vice Premier Oleg Soskovets' delegation on board spent a long time circling in the dense "milk" above Severomorsk's military airfield. They could not receive us yet — there was a snowstorm raging down below.... [passage omitted]

St. Andrew's Flag Is Not Being Lowered

The heavy armored cover flew up surprisingly easily, revealing the maw of a missile tube on the stern of the cruiser Admiral Nakhimov. A nuclear-powered heavy cruiser — the pride of our fleet and the flagship of the Severomorsk Ocean-Going Squadron.

There is something ineradicably boyish about Captain First Rank Leonid Sukhanov, commander of the nuclear-powered giant. Probably in the jaunty fringe of light hair and the almost shaven back and sides. But the voice of this small, sturdy guy is overbearingly strident, and you can sense in it his pride in the Nakhimov.

Commissioned in 1989, this giant one-fourth of a kilometer long and with a displacement of 28,000 tonnes is fast and formidable. Developing a speed of 30 knots (almost 56 km per hour), it carries 70 Granit cruise missiles — a threat to enemy aircraft carriers and cruisers. The launchers are loaded automatically.

From afar it can repulse attacks by enemy missiles and aircraft — S-300 antiaircraft systems, capable of hitting 12 targets simultaneously and unequaled in the world, stand on the prow and stern. Those that make their way past the defense lines of the 300's will come under a hail of Osa missiles — a close-range system. Or under fire from two Kots — missile and artillery systems designed to destroy enemy aircraft and shells. [passage omitted]

The [Northern] Fleet now embraces 67 nuclear-powered submarines and two nuclear-powered cruisers. Not counting hundreds of conventionally engined ships. [passage omitted]

The 6 May meeting between First Vice Premier O. Soskovets and the fleet's command lasted almost an hour.

Pleasant news for the fleet's seamen was heard: The Ministry of Finance has found 130 billion rubles [R], and there will be no more problems with wages. This is good: The treasury's debts to the Northern Fleet reached R388 billion for the first four months of the year. Some R268 billion was transferred to its accounts 30 April. Now all the rest has been transferred.

Questions of debts to military construction workers and of the preparations for next winter will be resolved during the next few months. Also questions of covering the debts relating to the winter of 1995-1996. Oleg Soskovets gave an assurance that funding for the Navy will be included under a special, protected subhead in the 1997 budget.

The fleet seamen promise to preserve naval strength, albeit with difficulty. The vice premier is sure that the latest Akula-class nuclear-powered submarine will be completed. The same goes for the heavy guided missile cruiser Petr Velikiy.

"Nerpa" Will Pay Its Way

But it is necessary to remove another "headache" — to provide five ship repair plants with normal work. There has been a sharp reduction in orders from naval seamen. Production volumes have fallen to 20-70 percent of former years.

Having been left without funds, the ship repair workers have recourse to all sorts of ruses. They take orders from commercial structures, as the "Nerpa" enterprise does. They resort to barter, issuing "plant money" for their workers who receive no wages. But opportunities for commercial activity are limited: They are military installations, with some being subordinate to the State Committee for the Defense Sectors of Industry and others to the fleet.

The situation is complicated by the fact that "Nerpa," for example, bears the burden of taking apart old nuclear-powered ships and recycling dangerous waste. Payments from the budget for this are being delayed. Of the R8.8 billion allocated for 1996 under the federal program, just R1.8 billion has been received. Work is halted, and the mass of dangerous waste is growing.

The Ministry of Finance has not yet allocated R79 billion for the transportation and processing of spent nuclear fuel and R10 billion for the purchase of a second train with special containers.

What is to be done when the state has insufficient money? Soskovets approved the Murmansk ship repair workers' initiative to convert plants from departmental enterprises to federal unitary ones, obliging them to serve the fleet first of all while at the same time giving them the opportunity to seek advantageous commercial orders.

Nontraditional means of funding state programs will also be employed. For example, it is a purely state matter to cut reactor compartments out of obsolete nuclear-powered submarines. But it is possible to take a submarine apart further and get to veritable deposits of very valuable metals. If foreign investors are involved, the share of budgetary expenditure will fall to 35-40 percent.

Meanwhile, there are entire graveyards of surface ships and conventional diesel submarines in the oblast. According to the first vice premier, the Defense Ministry's debts to the ship repair plants will be cleared, in particular, by barter — by handing over to them warships that have been removed from the effective combat strength. The plans also include involving the local military industry with its magnificent equipment in investment projects to open up the oil- and gas-bearing shelf of the Barents Sea.

To Keep the "Northern Gateway" Open

[passage omitted]

The Murmansk Shipping Company is making serious plans. It is necessary to win freight and millions of dollars in profits from Latvia and Finland, which use their tankers to transport Lukoil's oil from Ob Bay, and it is necessary to prepare its own tankers with a displacement of 15,000 tonnes. It is necessary to finish building the nuclear-powered ships Yamal and 50 Let Pobedy. It is vitally necessary to finish building a floating dock and a huge station for refueling the nuclear fleet's reactors — "Installation 92" — which have been held up because of interruptions in funding from the federal treasury. The country's economic and geopolitical future as a power is at stake.

Here you will be clearly aware that flea markets, the games of stock exchange speculators, and MMM's inflated bubbles are infinitely remote from the country's real needs. What is needed once again, just as 300 years ago, is toil-hardened hands, the minds of designers, and real investment in the country's future.

A businesslike discussion was taking place in the belly of the vast "space" dome of a dry goods warehouse erected by Murmansk construction workers in accordance with supermodern technology. M. Khodorkovskiy, chairman of the Menatep Bank's Board of Directors and a future major shareholder in the shipping company, was casting a proprietary eye over it. First Vice Premier Soskovets gave an assurance that the finishing of nuclear fleet installations will continue. Interruptions in state funding will be surmounted by means of banks' credits, to be repaid out of planned expenditure. There will also be direct investment from the Ministry of Finance.

But here Soskovets knitted his brows: Freight turnover in the port of Murmansk fell 10 percent during 1995. Balts are taking over clients, making $1.5 billion annually at the expense of Russian enterprises.

The reason is the increase in railroad tariffs. The Ministry of Railways and the Ministry of Transport cannot arrange an agreed pricing policy — and the country's northern gateway to the sea is slamming shut. Soskovets angrily exclaimed: If you do not reach agreement, the country will lose the transport market. It is necessary to give railroad workers an interest in increasing flows through the port and to set up financial-industrial groups.

Kovdor and Others

The government guest's meeting with the "generals" of industry in the oblast lasted almost two hours. For one-fifth of all Russian fish are caught here, and apatite concentrate — the basis of phosphor fertilizer production — nephelines, nickel, iron ore, and aluminum go out from here.

Familiar speeches were made. The destructive impact of increased railroad and energy tariffs and nonpayments.

V. Luntsevich, deputy head of the oblast administration, proposed that it is necessary to set up financial-industrial groups uniting transport, power workers, and producers of end products. So that the intermediate components have a vital interest not in hiking the prices of their services but in selling the finished commodity.

The vice premier agreed: The real owners must reach agreement. How will Moscow help? The "Apatit" Joint-Stock Company will receive power and heat at half price, and the export quotas for mineral fertilizers will be abolished. The tariffs for transporting 6.5 million tonnes of apatite concentrate to Russian plants will be reduced by 10-30 percent.

In short, the Murmansk and Kola land is at a difficult pass today. A lot of the problems of the Russian reforms are focused here, and they must be resolved jointly.

Economic Issues

Russia: Yeltsin Orders Payment, Tax Break for Military Enterprises

MM1505105196 Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 4

[Russian Federation President Edict No. 688 "On Priority Measures of Support for Enterprises in the Russian Federation's Defense Complex" signed by President Yeltsin in the Kremlin, Moscow, on 8 May 1996, under the general heading "Restructuring the Defense Sector" — from the 'Documents' section]

[FBIS Translated Text] For the purpose of stabilizing the economic position of enterprises carrying out the state defense order, preserving and developing Russia's defense industry potential, and improving the conditions for restructuring the defense sectors of industry, I decree that:

1. The Russian Federation Government is to ensure that the arrears owed by state clients under the 1994-1995 state defense order to enterprises carrying out the state defense order for the supply of armaments and military hardware and the fulfillment of scientific research and experimental design work are cleared in full before the end of May 1996.

2. Enterprises fulfilling the state defense order are to be given a deferral in the payment of tax arrears (excluding customs payments) to the federal budget within the limits of the amount owed to those enterprises by state clients for the supply of armaments and military hardware for 1994-1995 and the first quarter of 1996 until its clearance in full.

3. The Russian Federation Pension Fund is to allow enterprises carrying out the state order a deferral in the payment of pension contributions and penalties until the clearance in full of the arrears to those enterprises by state clients for armaments and military hardware for 1994-1995 and the first quarter of 1996.

4. In order to implement subpoint aa [shch] of point 1, article 5 of the Federal Law "On Amendments and Additions to the Russian Federation Law 'On Value-Added Tax,'" the Russian Federation Government shall, within one month, include in the list of instruments, equipment, components, and materials to be exempted from payment of value-added tax those instruments, equipment, components, and materials imported by enterprises for carrying out work under the state defense order.

5. The Russian Federation Government shall:

ensure the quarterly allocation of financial resources in equal amounts for conversion programs in the quantities envisaged by the federal budget for 1997;

with the involvement of interested commercial banks ensure in May 1996 the solution of the problem of reciprocal debt among enterprises carrying out the state defense order, state clients for armaments and military hardware, organizations of the YeES Rossii Russian Joint-Stock Company, and organizations supplying gas and petroleum products;

ensure within one month the transfer in the prescribed manner of plots of land to the ownership of privatized enterprises carrying out the state defense order;

and submit to the Russian Federation President within one month proposals which, when the 1997 draft federal budget is being prepared, take account of the need for the prepayment of work under the 1997 state defense order to be made in the first quarter of 1997 to producers with a long production cycle (at least six months) and also proposals whereby the Russian Federation Defense Ministry, the Russian Federation MVD [Ministry of Internal Affairs], the Russian Federation Federal Border Service, and the Russian Space Agency are to attract nonbudget sources, including commercial bank credit notes guaranteed by the Russian Federation Finance Ministry, for this purpose beginning in December 1996.

6. The Russian Federation Government, mindful of the need to preserve mobilization capacities as the main component of national security, is to ensure the observance of priority funding for the maintenance of mobilization capacities at enterprises and in organizations and is to take measures to identify resources for financing the maintenance of mobilization capacities within limits which prevent their destruction.

7. The executive organs of the Russian Federation components are to ensure in the first half of 1997 the transfer of social infrastructure facilities under the management of enterprises carrying out the state defense order to local self-government organs.

8. This edict goes into force on the day that it is signed.

[signed] B. Yeltsin, president of the Russian Federation

[dated] The Kremlin, Moscow, 8 May 1996
Edict No. 688.

Russia: Panel To Reorganize Foreign Economic Bank Activity

MM1305124296 Moscow ROSSIYSKAYA GAZETA in Russian 13 May 96 p 8

[Russian Federation Government Directive No. 532, signed by Premier Chernomyrdin on 3 April 1996]

[FBIS Translated Text] 1. The proposal from the Russian Finance Ministry and the Bank of Russia on the creation of a commission to reorganize the Bank for Foreign Economic Activity [Vneshekonombank] (hereinafter, the commission) comprising representatives of the Russian Finance Ministry, the Bank of Russia, the Russian Ministry of Foreign Economic Relations, the Russian Federation Presidential Staff, and the Vneshekonombank is hereby accepted.

2. S.K. Dubinin, chairman of the Central Bank of the Russian Federation, shall be appointed commission chairman (co-opted).

3. The commission chairman shall ratify its composition and submit proposals on the reorganization of the Vneshekonombank in the second quarter of 1996.

[signed] V. Chernomyrdin, chairman of the Russian Federation Government

[dated] Moscow, 3 April 1996
No. 532

Russia: Early May Foreign Exchange Market Detailed

MM1505073996 Moscow FINANSOVYYE IZVESTIYA in Russian 14 May 96 p 1

[Report by Igor Doronin: "Foreign Exchange Market" — received via Internet]

[FBIS Translated Text] The first working days of May on the foreign exchange and financial market were marked by fluctuations in the exchange rate and interest rates on the interbank loan market. But on the whole these did not exceed existing trends. Thus, in the 5-8 May period the dollar rose almost 0.4 percent (18 points) to stand at 4,958 rubles [R] by week's end. The most significant jump was 5 and 6 May — a total of 20 points. Supply exceeded demand almost twofold during that period.

The increased activity on the foreign exchanges on the first two working days of May is due to the appearance of the traditional surplus liquidity at the start of the month, which sloshed over into the foreign exchanges. This surplus was temporary and in literally the next few days the high level of buying activity on the foreign exchanges led to a shortage of rubles in the market. The 7 May rise in interbank interest rates as a result of this deficit resulted in the banks being able to regulate their liquidity more profitably by selling foreign exchange rather than borrowing short-term funds.

This equalizing of rates on the foreign exchanges and the interbank market halted the dollar's rise in the market 7 May, and the dollar eased two points 8 May, since it was more profitable for the banks to sell currency on the foreign exchange market rather than the interbank market. A definite role in stabilizing the dollar was also played by the placing of three- and six-month short-term state bonds worth a total of R13.6 trillion, which siphoned off some liquidity from the foreign exchanges.

During the period the German mark eased four points, the French franc fell 20 points, and sterling rose 15 points.

With the end of the May holidays conditions in the foreign exchange and financial markets are stabilizing. It is logical to expect the steady rise in the dollar — which will continue to lag behind inflation somewhat — to resume.

The fluctuations in the foreign exchange and financial markets in Moscow had virtually no impact on the regional foreign exchanges. The dollar there has been rising pretty stably and evenly.

Russia: Oil Industry Heads Ask Premier for Tax Break

MM1405145996 Moscow IZVESTIYA in Russian 14 May 96 p 2

[Report by Aleksandr Anichkin: "Oil Industrialists Ask Government To Cut Their Taxes"]

[FBIS Translated Text] Russia's leading oil and gas companies have appealed to Prime Minister Viktor Chernomyrdin to cut taxes in their sector of industry by 10-15 percent.

The company leaders passed on this proposal, which could deprive the budget of trillions of rubles but encourage activity in the oil and gas industry — and, consequently, in the economy as a whole — to the premier at a 13 May meeting in the White House in Moscow. The meeting was held in the form of a routine session of the Russian-American Oil Club — an organization which acts as a kind of OPEC for leading fuel and energy corporations operating in our market. Lukoil, Transneft, Yukos, Sakhalinmorneftegaz, and America's Exxon, Amoco, Mobil, Chevron, and others take part in the club's activities. The club chairman is fuel and Energy Minister Yuriy Shafranik, who also took part in the meeting.

IZVESTIYA has been told by sources involved in preparing for the meeting that the oil firms claimed that their proposal was due to a need to achieve the minimum levels of circulating and investment capital required to maintain reproduction. Taxes as a proportion of the oil companies' earnings were up 9 percent in 1995, and profitability indicators (the relationship between net profits and assets and earnings) were as much as 6-8 percent down.

The oil industry admits that this level of profits is normal — but in a normal economy. Now, when defaulting in the domestic market is running at 25-30 percent or more and when volumes of enforced mutual offsetting of debts often exceed enterprises' cash resources, profits are effectively spent right away on meeting day-to-day requirements. Consequently, the entrepreneurs claim, there is not enough profit left for investment, much less for dividends. In order to maintain normal reproduction in the oil complex profit margins need to be increased to 10-15 percent.

From the oil industry's standpoint it is extremely important to introduce, as is the practice worldwide, major tax allowances in recognition of the difficulties involved in oil production, taking account of the increased expenditure in a considerable percentage (estimated at up to 50 percent) of fields.

When this issue of IZVESTIYA was being put to bed, it was not yet known how Viktor Chernomyrdin had reacted to the oil club's proposals, but in any event the entrepreneurs are giving him a hard choice. On the one hand, the continuing industrial slump and low investment activity require urgent measures to support industry — and tax-cutting is one such stimulus.

On the other hand, tax breaks or allowances are a direct route to budget losses. According to Russian Deputy Finance Minister Sergey Shatalov, for instance, if most of the tax breaks previously granted to various enterprises and sectors were to be abolished, the Russian budget would gain around an extra 170 trillion rubles in revenue. In Shatalov's view, tax breaks are inefficient, since they make enterprises less competitive and less interested in cutting their production costs.

At the same time, it is impossible to turn a deaf ear to the oil industry's request. It is a request that comes from some of the largest, richest, and most influential corporations. Lukoil, for instance, is regularly number one on the list of Russian companies with the highest market value.

International Affairs

Ukraine: General Views Solana Visit, Relations With Russia

AU1405103696 Kiev UKRAYINSKA HAZETA in Ukrainian 8 May 96 p 8

[Article by Colonel General Anatoliy Lopata, UKRAYINSKA HAZETA military and political columnist: "Solana Is Sizing Ukraine Up. Some Ideas Concerning the Visit to Ukraine by the NATO Secretary General"]

[FBIS Translated Text] In my opinion, the objective of the recent visit to Ukraine by the NATO secretary general is quite obvious, and it may, so to speak, be easily made out even by the naked eye. Not just NATO, but the entire world community is concerned about the development of our relations with Russia. Many political events have taken place recently in Ukraine's mutual relations with Russia and Russia's relations with Belarus. Our close neighbors — Poland, Slovakia, and Hungary — could not help but notice this. Nor do Romania and Bulgaria remain indifferent in them. Turkey also has its view of our future relations with Russia. That is why I am sure that Mr. Solana, as NATO's political leader, wanted to get answers from leaders of our state concerning Ukraine's position in future relations with the North Atlantic Alliance.

Ukraine has always stated that it consistently comes out in favor of partnership between those states that strive to achieve peace in this region. As is known, our state was among the first to sign the "Partnership for Peace" accord. Thus, the situation seems to be developing favorably for us, but, in my opinion, one should not nurture the hope of joining NATO today (and also in the near future). At least for the simple reason that this military-political organization does not expect us there. Why not? Because Russia watches NATO's relations with Ukraine invidiously. An intensification of our mutual relations with NATO would immediately cause a deterioration of Russia's relations with NATO and Ukraine. This is fairly obvious. Who wants to burden oneself with unnecessary troubles? NATO's position is also clear: First settle your problems among yourselves and then we will see. It appears that precisely this was on Solana's mind when he made his trip to our country.

I believe that the problem "Ukraine and NATO" must be studied very thoroughly. However, this should not be unnecessarily delayed. We must first clearly sort out our relations with Europe and this alliance. I know that this is difficult, because our northeastern neighbor is still prejudiced against NATO. I see quite a number of positive aspects in establishing good relations with NATO. The most important of them is confidence in Ukraine on the part of Europe and the entire world community, as Ukraine strives to cooperate with its closest neighbors that have either joined NATO — a recognized collective security body — or plan to do so.

It is known that Poland has explicitly expressed its position and has NATO's full support. I am sure that Poland would also like Ukraine to have friendly relations with this alliance. Hungary and Romania have long visualized themselves within NATO. I think that Slovakia will soon voice its desire to join this organization. Not to mention the Czech Republic. As we know, Turkey is a long-time member of NATO.

Thus, Ukraine finds itself in the neighborhood of those countries, which already are or plan to be under the roof of NATO. It is, therefore, also time for us to have our say. In other words, Ukraine must clearly specify its position in the attitude toward all of our neighbors, in particular, Russia and try not to undermine its own national interests.

Unfortunately, our relations with Russia are not simple. I will not dwell upon them now — it is a topic for a separate discussion. The main thing that Ukraine must strive for is to do everything possible to avoid confrontations and conflicts with this great and sometimes unpredictable power. Our strategic goal must be to find a suitable place for Ukraine in the European home and avoid the role of a buffer between the NATO and CIS alliances.

As is known, even a drop of water may eat away the rock. I believe that we must do our best to convince Russia insistently and resolutely that we will both gain from sticking to civilized norms of coexistence between the two neighboring sovereign states. These norms include noninterference into each other's internal affairs and inadmissibility of coercion or economic pressure or of any territorial claims. Unfortunately, Russia does not yet abide by these norms, which are generally accepted in the world. I am sure, however, that Russia will realize that its well-being and peace depend upon peaceful coexistence with its neighbors. Discord is detrimental to all parties — it is not for no reason that popular wisdom prompts this.

Good relations with Russia also have another aspect. Unless we settle the most vexed problems with our northeastern neighbor, it will not be so easy to establish good relations with Western states and mainly with NATO.

I am not sure that Mr. Solana received exhaustive answers to all of his questions. I do not think that our president would be able to do this today, even if he had sincerely wanted to. Because nobody in Ukraine knows for sure what kind of state we are or what its structure is today and will be tomorrow. Total lack of certainty prevails in social and legal matters. There is no Constitution of our own. This situation resembles that of a person finding himself abroad without a passport. However, I can say with confidence that Mr. Solana's visit was useful for him. And also for Ukraine.

Ukraine: Black Sea Fleet Commander Cited on Sevastopol Status

WS1405084696 Kiev UKRINFORM in English 0715 GMT 14 May 96

[From the "Current Events" feature]

[FBIS Transcribed Text] For the first ever time Sevastopol, popularly known as the "city of Russian naval glory," marked the 213th anniversary of the Black Sea Fleet's [BSF] institution on Monday, May 13, UKRINFORM's correspondent in the South Crimean city reported.

The festive celebrations, which included a wreath laying ceremony at the Monument to Russian Admiral Lazarev and a service at the Volodymyr Cathedral, the burial site for many renowned Russian admirals, were attended, among others, by BSF Commander Admiral Viktor Kravchenko and senior naval officers.

Replying to journalists' questions after the ceremonies the Russian admiral said, in particular, that Russia had to maintain its strong naval presence in the Black Sea to protect its national interests in the Caucasus. Presently, Russia keeps two naval task forces in the Black Sea.

Commenting on the sensitive issue of Russia's lease of the Sevastopol naval base and its facilities the Russian admiral noted that to his best knowledge preparations were underway with the Ukrainian party having set up a special commission. The BSF Commander voiced his cautious optimism expressing a hope for finding acceptable to both Russia and Ukraine rental prices or rates for the lease of Sevastopol's naval base.

Ukraine: Kiev To Highlight Deported Nations Issue at CIS Summit

WS1505085096 Lvov INFOBANK in English 0626 GMT 15 May 96

[FBIS Transcribed Text] At the next planned meeting of a council of CIS country leaders scheduled to take place May 17 the agenda will include nine areas for intergovernmental cooperation within the framework of the CIS. Ukraine initiated two of these: the implementation of a signed agreement on returning the rights of deported individuals, national minorities and nations, and on forming an international data base at the INTERFAX news agency.

Sources in Ukraine's Foreign Ministry told INFOBANK that the resolution of the first of these two problems is particularly important for Ukraine since it has run into serious difficulties with resettling and re-adapting people who were deported during the Soviet period and who have returned to Ukraine from other countries of the CIS. Foreign Ministry representatives believe the process of repatriating deported nations should include unified legal policies within the framework of the CIS and joint financing.

Other issues to be discussed at the meeting are a draft of a plan for the integrated development of CIS countries for 1996-97, an intergovernmental program of joint measures aimed at fighting organized crime, a draft of a statement by the meeting's participants regarding support for democratic processes in Russia, and questions surrounding the presence of collective CIS peacekeeping forces in Abkhazia.

Ukraine: Replacement of Peacekeeping Battalion in Bosnia Completed

WS1505083096 Kiev UKRINFORM in English 0626 GMT 15 May 96

[From the "Current Events" feature]

[FBIS Transcribed Text] As UKRINFORM's defense correspondent reported from Dnipropetrovsk on May 14, Ukraine has completed deployment of a special battalion of peacekeeping troops to the former Yugoslavia, as part of the United Nations' forces there.

The new battalion which consists of 498 personnel will replace those who have already completed their period of service in Sarajevo.

Since 1992, Ukrainian peacekeepers have been serving in the former Yugoslavia, protecting facilities and command posts, escorting humanitarian cargoes, and providing assistance to the local population.

Ukraine: Deputy PM Attends Opening of Turkmenistan-Iran Railroad

WS1405083596 Kiev INTELNEWS in English 0631 GMT 14 May 96

[FBIS Transcribed Text] Kiev, May 12 — Ukrainian first Deputy Prime Minister Pavlo Lazarenko was in Iran Sunday for the opening ceremony of the Ashkabad (Turkmenistan)-to-Mashhad (Iran) railway line that unites the two countries' railway networks.

The line has great significance for Ukraine, according to Foreign Ministry spokesman Oleh Yaremchuk, since it will open up railway access to ports on the Persian Gulf and to Pakistan, Iran and India. Ukrainian businesses will participate in the construction of the railway line by supplying Iran with rails and other equipment within the framework of a Ukrainian-Turkmeni-Iranian agreement on the mutual exchange of goods. According to Yaremchuk, once the new railway line is operating, Ukraine is counting on increased trade with this region.

Lazarenko's visit precedes the first meeting of a Ukrainian-Iranian commission on trade, economic and scientific cooperation planned to begin in Tehran May 19.

National Affairs

Ukraine: Kuchma Comments on Wage Payment Crisis

LD1405144796 Moscow INTERFAX in English
1232 GMT 14 May 96

[FBIS Transcribed Text] Kyiv, May 14 (INTERFAX — Ukraine) — Ukrainian President Leonid Kuchma believes that the implementation of yesterday's Cabinet Presidium resolutions on overcoming the payments crisis and resolution of the coal industry's problems "is sure to be effective".

L. Kuchma told members of the Association of city district councils of people's deputies in Kyiv yesterday that ad hoc committees led by Vice Premiers would be assigned to each region to look into the situation around the payment of wages in the provinces.

President Kuchma said that he was "forced to strengthen through the system of public prosecutor's offices, law-enforcement bodies and mass media" control over the spending of the funds earmarked for those purposes. "There are no more moral or material reserves," he stressed.

The President described as "inadmissible" the practice of non-payment of wages to budget-sustained workers, including servicemen in the army. According to L. Kuchma, the sum total of the wage backlog has already reached 150 trillion karbovanets.

The Ukrainian President also said that, in the course of yesterday's Presidium meeting, he had drawn Government's attention to the need of enhancing responsibility of its members for the discharge of their duties. Kuchma reminded that the Cabinet meeting on Ukraine's vital problems had been put off several times because of its being unprepared.

"I have warned everybody in the Cabinet: if things further go this way, this country does not need such a Cabinet and ministers any more", L. Kuchma emphasized.

At the same time, the President expressed confidence that "Ukraine has her own future". He pointed out that Ukraine is of particular interest for foreign investors, but "they are all awaiting until a new Constitution is adopted".

Ukraine: Kuchma Appoints New Head of Chernivtsi Administration

WS1505090896 Lvov INFOBANK in English
0626 GMT 15 May 96

[FBIS Transcribed Text] On May 12 President Kuchma signed decrees regarding the transfer from one post to another of the deputy head of the State Committee for the Oil, Natural Gas and Oil Refinery Industries, Valentyn Kolomeyev, and the president's foreign economic policies assistant, Oleh Popov.

On May 12 the president also signed a decree appointing Member of Parliament Heorhiy Filipchuk to the post of acting head of the Chernivtsi oblast governmental administration. The former head of this governmental administration, Ivan Hnatyshyn, was appointed ambassador to the Republic of Moldova in April.

Ukraine: National Security Council Discusses Crime in Crimea

WS1505091096 Kiev UKRINFORM in English
0626 GMT 15 May 96

[From the "Current Events" feature]

[FBIS Transcribed Text] According to reports by the Presidential press service, a regular session of the National Security Council's [NSC] Presidium was devoted to ways of increasing the efficiency of activity of the Internal Ministry's organizations and other law-enforcement bodies in preventing and neutralizing destructive processes in Crimea. These processes are connected with organized criminal groups' activity, threats to territorial integrity of Ukraine, possible interethnic conflicts.

As a whole, the session approved guidelines of strengthening the law-enforcement structures in Ukraine's southern region. A special attention was paid to a necessity of providing effective coordination of their interaction with a view of maintaining law and order in Crimea, preventing terroristic groups and criminals' penetration to the area, as well as illegal introduction of weapons and munitions, explosives, incendiary and other dangerous agents.

In the context of the agenda's issues concrete directions were given to relevant ministries and departments.

The meeting was presided by NSC Chairman, Ukraine's President Leonid Kuchma.

Economic Issues

Ukraine: Economic News Reported

MM1305122196 Moscow ROSSIYSKAYA GAZETA in Russian 13 May 96 p 5

[Unattributed report: "News From Ukraine"]

[FBIS Translated Excerpt] The European Commission intends to grant Ukraine $250 million to support its balance of payments. European Commission experts have arrived in Kiev for "technical talks" with the Ukrainian Government. This was reported in an EU press release.

The loan was agreed by the EU Council of Ministers in October 1995. Moreover last December the EU granted Ukraine another 85 million ECU's.

According to information from the Ukrainian Ministry of Statistics, GDP was down 10.7 percent on the first quarter of last year. Total industrial production was 3.6 percent down, while labor productivity fell by 3.1 percent.

According to the Ministry of Statistics, production fell at more than two-thirds of industrial enterprises. Output declined in virtually all the main sectors, with the exception of power generation, ferrous metallurgy, and the medical industry.

Gross agricultural production was 7 percent down on the same period last year, and was 16 percent down in the public sector. The exception was private farms, where production remained at last year's level. [Passage omitted]

The Black Sea Shipyard has taken yet another step toward completing the contract to build 18 45,000-tonne-deadweight tankers and bulk carriers for the Greek "AVIN" [name as transliterated] firm — it has launched the Platinum, a vessel of this class. It is around 90-percent complete and, after finishing work is completed, will be handed over to the customer in mid-July.

Ukraine: Proposed Law 'Major Roadblock' to Privatization

WS1505082696 Kiev INTELNEWS in English 0129 GMT 15 May 96

[By Oksana Hasyuk, INTELNEWS Staff Writer]

[FBIS Transcribed Text] Kiev, May 14 — A law given preliminary approval by Parliament on Tuesday would throw a major roadblock into Ukraine's effort to privatize its major industrial enterprises by granting large rights to working collectives.

The draft changes and amendments to the large-scale privatization law given "second reading" approval would grant the collectives the right to as much as a 30 percent stake in their working places free of charge, according to Hennadiy Uharov, Parliament Economic Committee member.

According to Oleksandr Yelyashkevych, Parliament Reforms group member, this provision would prejudice the rights of other citizens not able to take advantage of its provisions. According to Yelyashkevych, State Property Fund must first provide deputies with estimates ascertaining whether the state would be able to provide all citizens with property if the law secures final passage

According to the law, privatization of equity not granted to collectives would be accomplished though competitive bidding, but final decisions would be made by a Committee on Privatization, subordinated to Parliament.

According to the draft, deputies may be included into the committee "to provide legality of privatization."

Deputies decided on Tuesday to hold a third reading of the bill at a date yet to be determined.

Ukraine: Government Resolves To Provide Assistance to Coal Mining

WS1505090996 Lvov INFOBANK in English 0626 GMT 15 May 96

[FBIS Transcribed Text] On May 13 Ukraine's Cabinet of Ministers passed a resolution which states that Ukraine's coal industry is in such a state as to require governmental assistance. In relation to this over the next month the Finance Ministry and the National Bank of Ukraine should review the national budget in order to set aside an additional Kbv [karbovantsi] 35 trillion to guarantee that coal mining continues in 1996, as well as to provide for additional capital investments into the construction of new and reconstruction of old mines.

The NBU [National Bank of Ukraine], with the participation of commercial banks, is being instructed to look into the possibility of giving technical loans to Coal Ministry enterprises for reinforcing mining drifts: Kbv 12 trillion in May and Kbv 5 trillion in June 1996. The guarantor of this loan to be returned in the first quarter of 1997 will be Finance Ministry. The Cabinet is also requiring that the Finance Ministry credit Kbv 6 trillion to the Energy Ministry. These funds are to be used to buy coal from coal enterprises now stored in coal industry warehouses.

According to the text of the resolution, over the next week it will be necessary to submit a bill for consideration to the Cabinet on exempting coal mining, processing and construction enterprises from paying what they owe into the national budget and non-budgetary funds (the Pension Fund and the Social Insurance Fund) plus any late debt payment penalties. The Ministry of Foreign Economic Relations and Trade has been instructed that over the next week it should implement a mechanism for seasonal price incentives for the sale of coal for lower than domestic wholesale prices but not lower than world prices.

Belarus

Belarus: Official Views Possible NATO Nuclear Threat

WS1405091196 Minsk BTK Television Network in Belarusian 1800 GMT 10 May 96

[Announcer Dzmitryy Kostin report over video]

[FBIS Translated Text] [Kostin] NATO nuclear weapons may be deployed in Poland in the event the country becames a member of the North Atlantic alliance, Polish Foreign Minister Dariusz Rosati has stated at a news conference at NATO headquarters. It follows from this that the nuclear deterrent is again approaching the Belarusian borders, and the question of bloc affiliation is becoming as urgent as in the Cold War times.

[Begin recording of Belarusian Deputy Foreign Minister Valeryy Tsapkala, in Russian] We think that there are, however, some moral and economic aspects. Let us take the statement about deploying nuclear weapons on one's territory. How are we to treat this? On the one hand, we are continually being told that we should get rid of our nuclear weapons; it is a kind of our international obligation. On the other hand, there is an intention to deploy nuclear weapons in, for example, the Czech Republic. We simply would like to ask: whom will these weapons be aimed at? [end recording]

[Kostin] This is a rhetorical question. Someone may consider it a senseless one. But how about their being aimed at us? In any case of using nuclear weapons in local conflicts, Belarus will find itself in the epicenter of events. Unfortunately, the current political situation makes one think that:

[Begin Tsapkala recording, in Russian] In this case, we are returning to the post-Yalta division of Europe. This division means that we will enter the 21st century not in the form of some new international order, or some all-embracing system of international security for the 21st century that we speak about, but in a quite different form, in which.... [end recording]

[Kostin].... chaos will prevail — chaos on the eve of the 21st century.

Belarus: Military Meeting in Moscow 'Regular Working' Event

WS1505082396 Minsk Radio Minsk Network in Belarusian 0400 GMT 15 May 96

[FBIS Translated Text] The Collegiums of the Belarusian and Russian Defense Ministries held a joint meeting in Moscow to discuss issues of their further cooperation in the military area. At the end of this regular meeting, Belarusian and Russian defense ministers signed 10 documents.

According to the Belarusian Defense Ministry press service, the development of contacts is being held in accordance with the agreement on the establishment of the Community of Sovereign Republics, the Belarusian Constitution, and Belarusian laws. The joint meeting of the collegiums of the two defense ministries is a regular working event aimed at the implementation of decisions adopted at the intergovernmental level.

Belarus: Prospects for Minsk-Moscow Cooperation in Oil Processing

WS1405121596 Minsk VO SLAVU RODINY in Russian 7 May 96 p 2

[Interview with "Belnaftapradukt" Concern Deputy President Uladzimir Syamyonavich Livenskiy by Ivan Stepura; place and date not given: "The Integration of Russian and Belarusian Oil Companies — For the Benefit of the People"]

[FBIS Translated Text] [Stepura] Uladzimir Syamyonavich, against the background of recent developments connected with the establishment of the Community of Sovereign Republics, the discussion of the merge of the Belarusian oil sector and the Russian oil complex has somewhat quieted. Why?

[Livenskiy] Work in this direction is going on. We in the "Belnaftapradukt" concern do not see any alternative to agreements signed with Russian oil companies on guaranteed deliveries of oil to the Republic, on the reconstruction and modernization of Belarusian oil-processing factories, and on the construction of complexes for the deep processing of oil. This would make it possible for Belarusian oil processing enterprises to compete — in the immediate future — in the quality and assortment of oil products with leading world companies. There is no time for lasting discussions and debates. Regrettably, we have already lost several precious years on the search for Western investors, and we are today in a difficult situation. Any delay in resolving these issues will literally automatically push our Republic away from the market for oil products and will lead to unforeseen results for the national economy.

Belarusian and Russian oil managers have stopped conducting talks on integration processes primarily because the integration has been approved by the interested collectives and local authorities in the cities of Mozyr, Navapolatsk, Megion, and Langepass; second, the work has shifted from the stage of discussions to the stage of a regular, daily work on drafting necessary legislative and normative acts, on implementing the signed agreements on the oil delivery to the Republic, and on drawing up documents for the reconstruction of factories. I know that at the same time the Belarusian Government, like our "Belnaftapradukt" concern, has an interest in the expansion of contacts with not only our eastern neighbor, but also with West European countries. We also have some specific plans regarding these issues.

[Stepura] It is known that the program for ensuring the national security of Belarus also addresses the Belarusian oil sector. But, as some experts say, if the Belarusian oil sector and the Russian oil complex merge (at issue here is the transfer of the "Belarusnafta" Production Association, "Homeloblnaftapradukt," and "Brestoblnaftapradukt" enterprises to the "Slavneft" Russian-Belarusian company), this will pose a threat to the economic security of the country. Does the leadership of the "Belnaftapradukt" concern consider this?

[Livenskiy] The merging of Russian oil companies with enterprises of the Belarusian oil sector has only one primary objective — an increase in the welfare of Belarusian and Russian peoples. In my opinion, in this case our security will not suffer. Some experts are concerned over the fact that due to the strengthening of one of the partners, for example, of the "Slavneft" on the one hand, and "Lukoyl" and "Yukos" on the other, the Republic could receive a monopolist on its market for oil products who will dictate its terms.

But this is not at issue now. First of all, existing documents address the transfer of not all, but only several oil-processing enterprises to Russian oil companies. Second, these problems, as well as the transfer of the "Belarusnafta" Production Association, will be thoroughly discussed considering the interests of all sides involved — primarily Belarus.

[Stepura] Recently the "Lukoyl" and "Yukos" Russian oil companies raised their oil prices by an average of 25 percent due to the reevaluation of their capital assets. Does this imply that Belarus will, in essence, buy their oil at a price which is approximately the same as the world price? What prices for gasoline and for diesel fuel should one expect in the immediate future?

[Livenskiy] I know that the "Lukoyl" and "Yukos" Russian oil companies — proceeding from the genuine solvency opportunities of consumers of oil products — have decided to refrain from increasing their oil prices.

In addition, current prices for oil products in the Republic are the lowest in Europe and, naturally, market laws demand that they be increased. At the same time, I am sure that both our "Belnaftapradukt" Concern and the Belarusian Government will not allow prices for low-octane gasoline and for diesel fuel to be raised.

Belarusian tax legislation is subject to constant revisions, which — among other things — must affect the formation of prices for oil products. According to a recent Supreme Soviet decree on taxes, the "Belnaftapradukt" Concern has also specified new prices for oil products.

[Stepura] A year ago, the leadership of your concern actively discussed the problem of creating a Belarusian national oil company which, according to the plans of its organizers, would become a genuine force able to compete with Russian companies, to support state interests, and ensure the level of prices for oil products....

[Livenskiy] The creation of a national oil company in place of the "Belnaftapradukt" Concern has not been removed from the agenda. To this end, we are actively reforming the enterprises of our sector. I am sure that in collaboration with joint ventures set up with "Slafneft," "Lukoyl," and "Yukos" Russian oil companies, the Belarusian national oil company will set up a civilized market for oil products in the Republic. Of course, its primary mission will be the protection of our state interests.

Belarus: Report on Solidarity Leader Arrest

LD1405144996 Warsaw Polskie Radio First Program Network in Polish 1400 GMT 14 May 96

[FBIS Translated Text] The Belarus militia today arrested Solidarity leader Marian Krzaklewski, who was in Minsk at the invitation of the opposition free trade unions.

[Correspondent] Solidarity Chairman Marian Krzaklewski arrived in Minsk today at the invitation of the opposition free trade unions. Militiamen, armed with automatic rifles among other things, prevented the Solidarity leader from meeting the workforces of two of the capital's enterprises. Despite the problems, Krzaklewski succeeded in meeting free trade-union activists in the automated line works during their lunch break. Contact with the Solidarity chairman was lost when he went with the delegation and a translator to a restaurant for lunch. According to information received by the [Minsk] SVABODA newspaper from the translator Valeriy [name indistinct], Krzaklewski and three other members of the delegation were arrested by eight militiamen and taken to the [militia] station.

This is Wlodzimierz [name indistinct], Polish Radio, from Minsk.

Belarus: Decision To Deport Solidarity Chairman

LD1405173196 Warsaw Polskie Radio First Program Network in Polish 1700 GMT 14 May 96

[FBIS Translated Text] We received a report a short while ago that the Belarusian authorities have decided to deport Solidarity Chairman Marian Krzaklewski and three other trade unionists from the territory of Belarus. Negotiations are in progress right now on how to get the trade unionists to the Belarusian-Polish border. Jozef Mozelewski, chairman of the Bialystok [Solidarity] Region, reported this, quoting the Polish Ministry of Foreign Affairs.

Tajikistan

Tajikistan: Rakhmanov Acknowledges UN Call For Immediate Cease-Fire

LD1505101196 Moscow ITAR-TASS World Service in Russian 0925 GMT 15 May 96

[FBIS Translated Text] Dushanbe, 15 May — "The Government of Tajikistan heeds the call made by the UN observers' mission in the republic for an immediate cessation of all combat operations and hopes that the irreconcilable wing of the Tajik opposition will react appropriately and confirm their support for a peaceful settlement of the conflict." This is part of a message from Tajikistan's President Emomali Rakhmanov sent today to Qin Huasun, chairman of the UN Security Council. In the message President Rakhmanov also proposes that the UN Security Council examine the situation that is developing in Tajikistan and assist in resolving it peacefully.

In his message Rakhmanov draws the Security Council's attention to the deterioration of the sociopolitical situation in individual regions of Tajikistan "because of the clear unwillingness of the opposition to resolve existing disputes by peaceful means, using a talks procedure under UN aegis." The document says that it is therefore evident that it is not without the agreement of its leadership that the opposition has started carrying out active combat operations against government forces in Tavildara district in the foothills of the Pamirs, violating the conditions of the Tehran cease-fire agreement.

In the Tajik president's opinion, "whipping up the situation and relying on military might to resolve disputes is known to be a blind alley."

Tajikistan: Government Forces Reportedly Sustain Defeat in Tavil Dara

LD1505102996 (Clandestine) Voice of Free Tajikistan in Tajik 0300 GMT 15 May 96

[FBIS Translated Excerpt] New reports from Tavil Dara speak about the expansion of assaults by the mujaheddin of the Islamic Movement of Tajikistan against the government forces.

According to reports from the press office of the Islamic Movement of Tajikistan, the regime's forces sustained another defeat in the fighting for the Taraghak valley in the district. An unspecified number of supporters of [President Emomali] Rakhmanov's government were killed and wounded as a result of fighting last night in that area. According to one report, there also was a senior officer among those killed. It was reported that the mujaheddin seized one [words indistinct], three tanks, and two armored personnel carriers.

According to a message sent to the supreme commander of the Islamic Movement of Tajikistan forces, Prof Sayed Abdullo Nuri, via the press office of the Islamic Movement of Tajikistan, fighting in Tavil Dara District is continuing on two fronts. [passage omitted]

According to another report, eight soldiers of the regime were killed and 48 taken prisoner in fighting which took place between the forces of the mujaheddin and the forces of the Dushanbe government in the Childara area in Tavil Dara District two days ago. This fighting started at 0300 on 13 May and continued until 1400 the same day. The report says one armored infantry carrier and a great number of arms and ammunition were seized by the mujaheddin and that the area was liberated up to Havzi Kabud — in other words, up to the border with Komsomolabad District.

At the same time, the aforementioned report from the military sources of the Islamic Movement of Tajikistan says that the Dushanbe government is dispatching a large number of forces to Saghirdasht village and the Karaghach pass.

In connection with this, Mirzo Ziyo, the commander of the army of the Islamic Movement of Tajikistan in Tavil Dara, has said via radio contact that the communist officials, by dispatching additional forces to the battle lines, will bear responsibility for the fate of those forces. He said: The leaders of the regime, by mobilizing the sons of ordinary people for war, are pushing them to kill. Whoever stands against us with arms will not escape, the commander of the group of the army of the Islamic Movement of Tajikistan stressed. Ziyo continued: God is willing and we have all means at present to liberate the people of the area from the oppression of the regime's officials and soldiers.

Tajikistan: Government Building Burned During Mass Riots in Ura-Tyube

LD1405221796 Moscow ITAR-TASS World Service in Russian 2136 GMT 14 May 96

[FBIS Translated Text] Dushanbe, 15 May (ITAR-TASS) — The situation in the town of Ura-Tyube in the north of the republic has sharply aggravated. The ITAR-TASS correspondent was told today by Tajikistan's Internal Affairs Ministry that there was mass rioting in the center of this town on Tuesday. The buildings of the town administration, the procurator's office, and the militia department were set on fire. It has been possible to extinguish the fires. The riots are continuing.

Hundreds of people who assembled around the town administration building on Tuesday evening demanded the resignation of the local authorities. The demands were accompanied by hooligan actions. Militia staff were pelted with stones. The militiamen are trying to calm the rioting crowd.

Tajikistan: Protest Grows in Khodzhent Against Law Enforcement Bodies

LD1405134096 Dushanbe KHOVAR in Russian 1150 GMT 14 May 96

[By TIA KHOVAR correspondent G. Khakimov]

[FBIS Translated Excerpt] Khodzhent, 14 May — After the tragic death of an inhabitant of Khodzhent, Ahmadjon Ashurov, who was killed by criminals on 11 May this year, a group of people went to the regional administration building and demanded that the local authorities should detain and bring a criminal prosecution against the guilty parties.

Moreover, the participants in the gathering made other demands, including the relocation of the sixth department of the Ministry of Internal Affairs, the resignation of the heads of the law enforcement agencies, [passage omitted]. The fair distribution of humanitarian aid, the review of cases of slandered people, and others.

After long and protracted talks, the leadership of the region and of the republic signed an agreement with representatives of the gathering, which said that:

The investigation of the Ashurov murder case is to be speeded up, and the chairman of the region is to place the distribution of humanitarian aid under strict control. The question of the heads of the law enforcement agencies is to be solved quickly; the heads are to be replaced by local officials and the demonstrators are to be told of the progress made in this direction by 1 June.

The sixth department of the Interior Ministry is, at the suggestion of Interior Minister Saidamir Zuhurov, to be transferred from Leninabad region to the Presidential Guard of the Republic of Tajikistan. The participants in the 12-13 May gathering are not to face criminal prosecution.

At the talks with the representatives of the gathering it was agreed that the text of the agreement would be read out to the participants in the unsanctioned event, and that they [the participants] would then leave the square and return home.

Prime Minister Yahyo Azimov addressed the gathering in the name of the government. He called on the people to display mutual understanding and respect for one another.

Abdusattor Rajabov, the head of the internal affairs department of the region, was dismissed on 13 May, and replaced by militia Colonel Obijon Kosimov.

Only after long talks did the participants in the gathering leave the square at night and return to their various homes.

However, today, 14 May, a group of people again began gathering in front of the building of the regional administration.

Turkmenistan

Turkmenistan: Turkey's Demirel Arrives in Ashkhabat

TA1405141596 Ankara TRT Television Network in Turkish 2100 GMT 14 May 96

[Turhan Ipek video report from Ashkhabat]

[FBIS Translated Text] President Suleyman Demirel has noted that keeping the Eurasian concept alive is Turkey's main target, adding that the cooperation undertaken by regional countries within the framework of ECO [Economic Cooperation Organization] will most certainly yield favorable results in the long term. Demirel arrived in Ashkhabat, the second leg of his tour to Iran and Turkmenistan, after participating in the inauguration ceremony of the railroad that links Iran to Turkmenistan. After the official welcoming ceremony in Ashkhabat, Demirel attended a reception held in his honor at the Turkish Embassy where he answered reporters' questions.

Replying to a question, Demirel said that certain bureaucratic difficulties are encountered when passing through Iran on the way from Turkey to Central Asian republics, adding that meetings with Iranian officials are under way in a bid to minimize these difficulties.

Explaining that Turkey aims to keep alive the Eurasian concept, Demirel recalled that he had expressed this approach during his address at the Uzbek parliament.

Noting that Turkey should secure the Mashdad-Serakhs railroad to pass through Van as soon as possible, Demirel said: The railroads in Turkey are gaining importance for Esfahan.

In reply to a reporter's question on Iran's being more active than Turkey in the Central Asian countries, Demirel said: Turkey's presence in the Central Asian countries has reached a stage of which we can be proud. Demirel said: Nobody could even conceive four years ago that Turkey would achieve such a presence in Central Asia. Look at Uzbekistan. You will encounter numerous Turkish companies if you wander through the streets of Ashkhabat. Most of the hotels were constructed by Turks. During my chat with the Turkmen president, he expressed great pleasure at having Turks in Turkmenistan. Very serious Turkish companies have established themselves in Ashkhabat and achieved important work.

Noting that ECO has embarked on a phase in which it is assuming a new shape and structure, Demirel said that this issue will be extensively discussed during tomorrow's summit meeting. Remarking that the post of ECO secretary general will be assumed by Turkey for the next four years following tomorrow's summit, Demirel said that Turkey will give all the support needed for this new shape and structure during its term. Pointing to the fact that it would be wrong to expect that regional cooperation will yield immediate results, Demirel continued: What is nice about this event is that the leaders of countries that are at war with each other such as Ter-Petrosyan and Geydar Aliyev sit around a table together with the Pakistanis, Afghans, and Tajiks. Cooperation cannot yield fruits immediately.

In reply to another question, Demirel noted that Turkey and Iran are two neighborly countries that need to be on good terms with each other.

Demirel is expected to leave Ashkhabat for Turkey tomorrow.

Turkmenistan: Demirel, Rafsanjani Discuss 'Unease' Over Israel Accord

TA1405190796 Ankara TRT Television Network in Turkish 1700 GMT 14 May 96

[Announcer-read report over video]

[FBIS Translated Excerpt] [Passage omitted] In Ashgabat today, President Demirel had a chat with the Turkish journalists who are accompanying him. He said that the ECO [Economic Cooperation Organization] is as important as Eurasia, adding that even though the ECO is in a problematic region, it succeeds in bringing together the concerned parties at the negotiating table.

Demirel said that the ECO member countries constitute an important market and that this market must work. He explained that the leaders raised very interesting issues during the summit, adding that full agreement was reached on the economic issues raised.

The president said that he held bilateral talks with various leaders including Iranian President Hashemi-Rafsanjani and Azerbaijani President Aliyev. He said that Hashemi-Rafsanjani told him of Iran's unease about the defense training cooperation agreement Turkey signed with Israel. Demirel pointed out that there has been no fighting between Turkey and Iran for the past 362 years. He added: Can you imagine Turkey teaming up with Israel against Iran? Can you imagine that? Then there must be another reason for this. There must be provocations, provocations from various sources. On the one hand, you see provocative reports as if everyone were on our side. Nobody is doing this officially, but unofficially it is being done. On the other hand, you have the relations between Turkey and Iran, neighborly relations, and these relations must be good despite the various hitches.

Demirel said that he and Hashemi-Rafsanjani agreed that the friendship between Turkey and Iran must not be harmed.

Replying to questions, Demirel said that the continued independence of the Central Asian republics will help strengthen and further develop the ECO.

Turkmenistan: Afghan President in Ashgabat for ECO Meeting

LD1405193696 Kabul Radio Afghanistan Network in Pashto 1530 GMT 14 May 96

[FBIS Translated Text] Esteemed Borhanoddin Rabbani, president of the Islamic State of Afghanistan, today arrived in Ashgabat, capital of Turkmenistan, to take part in the Economic Cooperation Organization [ECO] heads of states conference.

A BAKHTAR correspondent in Ashgabat said that Rabbani was welcomed at Ashgabat airport by Turkmen President Saparmurad Niyazov and other high-ranking officials of the republic. [words indistinct] When leaving Iran, the president expressed appreciation for the warm welcome given him by the Iranian authorities. President Rabbani regarded the opening of Mashhad-Tedzhen railway as beneficial to the countries of the region and for their mutual economic cooperation.

The Afghan president today took part in the session of the ECO. Ten regional Islamic countries are members of the ECO. After the victory of the Islamic revolution, Afghanistan joined the organization.

Turkmenistan: Report Notes 'Positive Trends' in Economy

LD0905132096 Ashgabat TURKMEN PRESS in Russian 0700 GMT 7 May 96

[FBIS Translated Text] Positive trends are gaining strength in Turkmenistan's economy. They have been achieved in the course of the implementation of the presidential program for 1996, as confirmed by data from the State Committee for Statistics.

One positive point is the fact that since April 1996, Turkmenistan has had a single exchange rate for the manat against foreign currency, which is set at trading on the interbank currency exchange. This was done in order to strengthen the economy, to ensure the convertibility of the manat and to provide for social protection for the population.

Turkmenistan's foreign trade turnover was $503.8 million in January and February of this year. The foreign trade surplus was $117.8 million. Fifty-five foreign countries took part in trade operations, and CIS countries accounted for 62 percent of the volume of trade turnover.

As always, natural gas, cotton fiber, products of oil-refining and electricity were the principal exports. About 50 percent of imported goods were received in return for gas supplies to Ukraine, Armenia, Georgia, and Russia. Supplies of grain, sugar, products made from ferrous metals, pharmaceuticals and electrical machinery and equipment increased noticeably in the first quarter.

Although only 67 percent of the revenue side of the state budget was met in the first quarter, as a result of the continuing payment crisis, the volume of industrial output in the first quarter was up by 18 percent on the figures for the same period last year. A considerable increase was registered at enterprises of the Kuvvat power corporation and the gas, chemical, and mechanical-engineering industries. At the same time, it was pointed out that the shortage of raw materials remains the main reason for the decline in production volumes at a number of industrial enterprises.

Since the beginning of the year, 1,170,000 tonnes of oil — including gas condensate — and 11,368 million cubic meters of gas have been extracted in the country — more than in the same period last year. The country's power stations generated 3,675 million kWh (an increase of 17 percent).

The figures from the statistical review point to the steady trend whereby reforms are applying directly to the industrial sector, to the level of enterprises, where the practice of encouraging domestic producers, including representatives of the private sector, is increasing. For instance, the diversity of the economy is confirmation of the successful privatization process. Over 70 percent of all registered enterprises and organizations are in private ownership. Moreover, the largest number of them are operating in Mary Region.

Twenty-four enterprises were privatized in the first quarter of 1996, mainly in the consumer service and trade sectors. The buy-out of an enterprise by members of its workforce has become the predominant form of privatization.

Armenia

Armenia: Russian Mediation in POW Exchange Welcomed

NC1405152596 Yerevan NOYAN TAPAN in English 0704 GMT 14 May 96

[FBIS Transcribed Text] Yerevan, May 13 (Noyan Tapan) — Presidential Spokesman Levon Zurabyan made the following statement on Friday:

"On May 12 we are marking the second anniversary of the establishment of the cease-fire on the Armenian-Azeri front line. For two years we have been living without war, and the parties to the conflict have consistently been seeking for peaceful solutions to the problem. Armenia praises the conflicting parties for their readiness to maintain the cease-fire and continue in peaceful negotiations until the large political agreement is signed. I would also like to point to Russia's role and its efforts, which have made the enduring truce possible. OSCE's efforts in settlement of the conflict are also quite important, since OSCE has promoted the maintenance and consolidation of peace.

"I would also like to draw your attention to the recent visit by Russia's Foreign Minister Yevgeniy Primakov to the region.

"At the meeting with President Levon Ter-Petrosyan, Primakov presented the latter a message from Russian President Boris Yeltsin, by which Yeltsin congratulated Levon Ter-Petrosyan and the entire Armenian people on the occasion of the second anniversary of establishment of the cease-fire in the conflict zone, and describing it as the only correct solution. The Russian President has welcomed the resolution of the conflicting parties to release and return all hostages and prisoners of war, but at the same time, he has expressed anxiety over the slow pace in the political settlement of the conflict.

"Today, I am pleased to announce that thanks to the visit by the Russian Foreign Minister Yevgeniy Primakov, and in compliance with the agreement sealed by the Presidents of Azerbaijan and Armenia in Luxembourg, as well as in response to a letter from the OSCE representatives, the three conflicting parties have released all hostages and prisoners of war, who were on the International Committee of Red Cross lists. The hostages and prisoners of war were released according to the "all for all" principle. (Karabakh handed 59 people, Azerbaijan - 35, Armenia - 11).

"Armenia hails this as an important step, viewing it as the event, which marks the stepping up of the conflict settlement and peace restoration processes.

"Armenia particularly praises the good will of the Karabakh leadership. We are confident that these steps will promote the establishment of mutual understanding between the conflicting sides.

"Available data allows us to state that Azerbaijan is still holding a number of Armenian prisoners of war and hostages, whom ICRC representatives could not visit. We hope that this step will be followed by another demonstration of good will on the part of Azerbaijan, and we will see all the prisoners of war and hostages released."

Zurabyan denied rumours that the Luxembourg agreement was allegedly a result of the joint efforts of the European Union and Germany. Rumours that the above agreement was sealed at the Embassy of Germany in Luxembourg are also not true, said Zurabyan.

Armenia: Russian General on Concern Over Azerbaijan's Border

NC1405192596 Yerevan Radio Yerevan International Service in Armenian 1630 GMT 14 May 96

[FBIS Translated Text] The principle of joint defense of CIS external borders implies the presence of the Russian operative border troops in CIS countries in accordance with the existing agreements between Russia and the independent republics, stated Major General Aleksandr (Sovorov), press secretary of the Russian Federal Border Service, during a conversation with our correspondent.

The absence of our border troops in Azerbaijan for all practical purposes leaves open Azerbaijan's border with Iran and with Turkey at a small section in Nakhichevan. This cannot but cause concern in neighboring CIS countries and in Russia proper. Those borders are for all practical purposes transparent and therefore susceptible to incursion by any dangerous element and accessible for the distribution of the arms and narcotics. According to (Sovorov), the Russian Federal Border Service has not neglected that issue and there already exists some movement, in the sense that the Azerbaijani sector of the CIS external border would also be defended by the Russian green berets.

(Sovorov) is of the opinion that the Azerbaijani delegation, which was also invited to the Yerevan meeting but did not show up, would have found here all the conditions to work on equal footing with the other participants in the 21st session of the council of commanders and to defend its position.

Armenia: CIS Border Troop Commanders Hold Session in Yerevan

*NC1405152896 Yerevan SNARK in English
1103 GMT 14 May 96*

[FBIS Transcribed Text] Yerevan, May 14 (SNARK) — General Andrey Nikolayev, Director of the Russian Federal Border Service, inaugurating today's session of the Council of CIS border troops commanders said that they are holding the 21st session in ancient country of Armenia which suffered a lot. He express hope the 1988 earthquake is the last tragedy here.

The General extended thanks to President Levon Ter-Petrosyan and other political leaders who helped conduct the session in Yerevan.

The participants including commanders and representatives of border troops from Russia, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan and Turkmenistan are to consider approximately 16 issues concerning the guarding of external borders of the CIS member states.

No representatives from Moldova and Azerbaijan are taking part in the session. According to Azeri media, Azeris have just refused to come to Armenia. Ukrainian borders are arriving together with President Kuchma who will start his working visit to Yerevan today.

Uzbekistan's delegation arrived this morning.

On May 14, the session participants are to meet Armenia's President Levon Ter-Petrosyan.

Armenia: Military Called 'Major Factor' in Karabakh Cease-Fire

*NC1405150096 Yerevan NOYAN TAPAN in English
0703 GMT 14 May 96*

[FBIS Transcribed Text] Yerevan, May 13 (Noyan Tapan) — Foreign Minister of Nagorno-Karabakh Arkadi Ghukasyan gave May 11 news conference on results of the recent visit by the Russian FM Yevgeniy Primakov to the region.

Arkadi Ghukasyan stressed that the exchange of prisoners of war and hostages was initiated by Karabakh, and Russia backed up the idea. Ghukasyan was disappointed that the action was presented by the media, including the Russian information outlets, as the exchange of POWs and hostages between Armenia and Azerbaijan. Karabakh FM said the Azeri POWs and hostages were escorted to Yerevan at the request of Primakov, although initially it was planned that the sides would exchange POWs and hostages on the border.

Arkadi Ghukasyan said the Karabakh leadership pinned certain hopes on the second anniversary of the cease-fire in the conflict zone, which is marked on May 12. However, he said a part of these hopes did not come true. But, anyway certain breakthrough, particularly, in resolution of humanitarian problems has been achieved, he said.

Describing Primakov's visit as being very important, Ghukasyan voiced hope that there would be new impetus for constructive work, new ideas and new approaches towards the settlement of the conflict would emerge. The visit by Primakov to the three Transcaucasian states testifies to Russia's firm intention to intensify the peace process and resolve the problem. However, without will and aspiration of the conflicting parties we will not be able to do it, Ghukasian said. First of all, the contending parties should display a more realistic approach. It first of all concerns Azerbaijan and Nagorno-Karabakh. Azerbaijan is about to overcome a psychological barrier, although the last video information from Baku, regarding the problem of POWs and hostages, again put the Karabakh leadership on alert. Ghukasyan said the Karabakh leadership would further be more cautious, when agreeing disputable issues.

Speaking on the possibility of the direct contact between Azerbaijan and Nagorno-Karabakh, Karabakh FM noted that it is sure to take place, since the problem can be settled only with the participation of the Karabakh side.

Ghukasyan singled out three major factors, ensuring truce in the conflict zone. First, the established balance of forces, secondly, the conflicting sides grew weary of combat operations, and are unwilling to resolve the problem through military methods, and the last one, Azerbaijan has realized that all the attempts to resolve the conflict by means of force are doomed to failure, and, therefore, it is necessary to seek for political ways to settle the conflict. But, the major factor is the current military balance. Karabakh FM believes it necessary to firm up the fragile peace by providing international safeguards of non-renewal of the military activities. Ghukasyan called for the package solution to the problem, which, as he said, finds more and more understanding among mediators and conflicting parties.

Armenia: Armenia, Karabakh To Be Included in CIS Air Defense System

*NC1405184396 Baku TURAN in English
0818 GMT 14 May 96*

[FBIS Transcribed Text] Baku/14.05.96/TURAN—Russia is going to install in Armenia anti-aircraft complex "Buk-M1", according to informed military sources.

After signing bilateral military agreements between Armenia and Russia, specialists for anti-aircraft defence system and the officers of the Russian general head-quarters are working out a scheme "of defence of air space of the south frontiers of the CIS."

A contingent of the Russian troops in the Transcaucasus, armed forces of Armenia (including the Armenian anti-air defence forces in Nagorno-Karabakh) and subdivisions of the Caucasian Special Border District, located in the northern Caucasus, as well as air-crafts of the Caspian fleet (head-quarter in Astrakhan) are involved to this line.

Military sources note that the line was divided into three parts. The first — from the side of Azerbaijan — is blocked by the anti-air defence system which have recently been located in Dagestan and presently is located along the borders of Azerbaijan.

The second — from the regional centre Agdere (north of Azerbaijan) to the South — till the 120 kilometres part of the Iranian-Azeri border occupied by the Armenians and then to the west till the state frontiers of Armenia.

This part is a zone of responsibility of the Armenians of Karabakh. The information about air objects in 400-500 kilometres is passed by the Armenians of Karabakh to Armenia to the head-quarters of the group of the Russian anti-air defence system.

It is known that there are several systems of the Armenian anti-air defence "Shilka", missile complexes "Cub", "Krug" and more powerful "Osa."

Third part — from Megri to the Black Sea (zone of responsibility of forces located at the territory of Armenia and Georgia.)

It should be noted that anti-air defence forces of Russia (MiG-23 fighters) located in Armenia regularly violate air space of Azerbaijan from the West. There were many cases of the intervention of the Russian air-crafts into the territory of Azerbaijan to the centres of Jebrail and Fizuli.

Besides, anti-air defence system of the CIS's in the south was united with Gabala radio-locator station located in the east of Azerbaijan. This unique radio-locator station was set up for watching the start of inter-continental ballistic missiles. However, presently this radio-locator station, the status of which has not been determined yet, is the most important point in the system of anti-air defence system of Russia in the south.

We should remind that Azerbaijan refused to join the treaty on joint guard of frontiers of the CIS and explained its refusal by the fact that the treaty provides return of the Russian troops to Azerbaijan and that runs counter the sovereignty of the republic.

Armenia: President's Contacts During Railway Inauguration Noted

NC1405200796 Yerevan Radio Yerevan International Service in Armenian 1630 GMT 14 May 96

[FBIS Translated Text] As already reported, the Iran-Turkmenistan railway opened yesterday. An Armenian delegation headed by President Levon Ter-Petrosyan attended the inauguration alongside delegations from 60 other countries.

Commenting on this important event, the papers write that in the opinion of the Iranian leadership the Silk Road will be restored when the railway reaches China. The railway is 295-km long, of which 130 km are in Turkmenistan and 165 km in Iran. It cost nearly $800 million.

The papers also report that during the visit the Armenian delegation headed by Levon Ter-Petrosyan held two meetings with Iranian President Hashemi-Rafsanjani. The president also met Kazakh President Nazarbayev, Georgian President Shevardnadze, Kyrgyz President Karimov [name and title as received], and Turkmen President Niyazov. Matters relating to regional cooperation and bilateral ties were discussed during the meetings.

Armenia: Agreements Signed During Ukrainian President's Visit

NC1405181396 Yerevan Armenia's Radio First Program Network in Armenian 1640 GMT 14 May 96

[FBIS Translated Excerpt] Ukrainian President Leonid Kuchma arrived in Yerevan on an official visit at (?1300) today, 14 May. This is the Ukrainian president's first visit to Armenia [words indistinct].

Kuchma is accompanied by Foreign Minister Gennadiy Udovenko, Deputy Prime Minister Ivan Kuras, the finance and health ministers [words indistinct].

The high-ranking guest was welcomed at Zvartnots Airport by Armenian President Levon Ter-Petrosyan; Foreign Minister Vahan Papazyan; Gagik Shahbazyan, minister for relations with the CIS, EU and international economic organizations; Interior Minister Vano Siradeghyan; and other officials. [passage indistinct]

Our correspondent Anush Ghazaryan reports on today's meeting:

[Begin recording] [Ghazaryan] Armenian President Levon Ter-Petrosyan received the Ukrainian president today, after which bilateral documents were signed. The two presidents signed a friendship and cooperation agreement between Armenia and Ukraine. A joint communique on the results of Ukrainian President Leonid

Kuchma's official visit to Armenia was also signed. Agreements were signed between the governments of the two countries on cultural cooperation and on higher training [word indistinct] for the scientific-educational cadres, on eliminating double taxation and preventing tax evasion, and on cooperation in the sphere of [word indistinct] metrology and certification.

The health ministers of the two countries signed a cooperation agreement in the sphere of medicine and health.

The foreign ministers signed a protocol on consultations.

[passage omitted]

Presidents Ter-Petrosyan and Kuchma then took questions from reporters. [end recording]

Armenia: Progress of Privatization Detailed at Economic Conference

NC1005180896 Yerevan NOYAN TAPAN in English 1209 GMT 10 May 96

[FBIS Transcribed Text] Yerevan, May 10 (NOYAN TAPAN)—Some 400 medium-sized and large enterprises, as well as 2,600 small enterprises have been privatized in Armenia at the present time. About 600 small and medium-sized enterprises are due to be privatized by August 1996. Also, some 70 percent of the housing in Armenia has been privatized, said Deputy Economic Minister Ashot Markosyan Thursday [9 May], in an address at the international conference "Why and How to Invest in Armenia".

Markosyan announced that 16 Armenian enterprises are expected to be put on an international auction for privatization. These enterprises are: the "Polyvynylacetate" plant, "Nairit" plant, "Rubin" factory, Vanadzor-based chemical fibre factory, "Luys" factory, "Mars" plant, the Yerevan Brandy Factory, "Bzhni" Mineral Waters Factory, the Ijevan Carpet factory, etc.

The Deputy Economic Minister reported that the survey conducted by experts from the Ministry of Economy, in 25 enterprises, showed that production output had stabilized at the majority of these privatized enterprises. Nevertheless, there are many problems to be resolved, he said. He pointed out that the privatization of enterprises has caused rapid unemployment. According to some findings, an average of 60 people have been laid off from enterprises which have been privatized. According to Markosyan, the unemployment problem deserves special attention.

Armenia: Prime Minister Outlines Economic Strategy

NC1005171196 Yerevan NOYAN TAPAN in English 1110 GMT 10 May 96

["Statement by Armenian Prime Minister Grant Bagratyan at the first international conference 'Why and How To Invest in Armenia?' on 8 May"—NOYAN TAPAN headline]

[FBIS Transcribed Text] Yerevan, May 10 (NOYAN TAPAN)—On the first day of the international conference "Why and How to Invest in Armenia?" Armenia's Prime Minister Hrand Bagratyan made a report titled "Armenia a Partner for Global Business and Trade".

Below is the full text of the report.

Honorable guests, Ladies and Gentlemen,

Allow me to welcome you as you are in Armenia to participate in this Forum dedicated to the cause of further strengthening and deepening our cooperation.

Emphasizing the importance of this Conference, I wish to inform you of my Government's continued efforts aimed at developing our country.

Since 1991 the Government of the Republic of Armenia has steadily conducted active reform policy. We started with the land reform, which is a basic factor for many other ranges of economic activity. We understand that privatization and de-nationalization of economy, as an important step from communist economy to liberal one, should be started by privatizing the land-stock, to be followed by the privatization of the processing industry, trade, the investment system, the heavy industry and production infrastructures.

Land was privatized as early as in 1991. At the same time we undertook the reform of the whole farming system, and for some years now Armenian agriculture sector has been operating in line with market principles.

The beginning of our reforms was marked by the privatization of trade and services.

In 1991 we proceeded with the creation of an appropriate legal framework for a market-oriented economy. As a result, we have quite an up-to-date and comprehensive legal system regulating the whole range of relations arising from ownership and entrepreneurship, tax policy, banking, external economic activity, foreign investments and many others.

Economic reforms have been growing in momentum recently. In this regard, I should firstly state that the process of privatization in the meantime has been sharply stepped up. Currently about 60 percent of business in the trade and service sectors are private. So are nearly 50 percent of small and large scale enterprises in the processing sector. Armenian Government intends to have privatized all of the enterprises available by the end of the year, except the ones referred to as special.

Production infrastructure is going to be de-nationalized, too. I wish to point out the fact that our Government hasn't made whatever distinction so far and will not henceforth make any concerning the rights of Armenian residents and non-residents, and own business in Armenia.

Our Government has also made considerable efforts towards improving the tax policy, causing it to become a transparent system consisting of a few taxes and simplified taxing mechanisms, with the basic tax rates for both individual and corporate incomes having been fixed at responsible level, that does not exceed 30 percent of income. There are several privileges provided for the newly-set-up enterprises.

Shortly after the instruction of the national currency, the Dram, and thanks to the financial and economic policy that we have been implementing ever since, we were able to slow down galloping inflation, so as to have prices rising no more than 2 percent a month over quite a long period of time, and in 1996, according to our estimates, the monthly rate of inflation will not exceed 1-1.5 percent, which is to say we have succeeded in stabilizing prices that we deem as an essential factor of the republic's economic growth.

I would also like to mention that Armenian Government is abiding by a policy aimed at simplifying and facilitating imports and exports. All of the non-tariff regulations with regard to foreign trade and the totality of export taxes have been eliminated and import taxes lowered recently, the latter bearing on luxuries.

Production-related goods and basic consumer commodities are now completely exempt from being taxed.

Such liberalization of foreign trade has already produced positive results. For the last 2 years following 1993 the volume of foreign trade turnover has doubled and we expect that these trends will go amplifying in the future as well.

Our Government realizes the importance of foreign investments for our republic's economic growth and is supporting them in every possible way. In this regard, I consider the adoption of the Law on foreign investments in Armenia as a stage of utmost importance for the promotion of cooperation with the outer world. This Law establishes the most liberal regime for foreign investments. It provides for free participation of overseas capital in Armenian enterprises without any conditions and restrictions, guarantees its protection and the repatriation of returns on foreign investments.

I wish in particular to state that both by this Law and virtually all the other economic decisions, practices and finally by the whole of our economic policy we do not make any distinctions between the citizens of the Republic of Armenia and those of foreign States. In other words, foreign enterprises and citizens can exercise and invest in Armenia on an equal footing with the enterprises and nationals of the Republic of Armenia.

While, as I noted above, presently Armenia has updated economic laws, the Government is far from considering this process to be complete and is consistently seeking ways of improving them, which will allow us to further widen and deepen the legal bases of economic activity.

In some fields laws are being perfected right now. Say the banking law: we believe that the country's banking system is to become more reliable as financial mediator. Apart from it, the tax legislation is also being reshaped in line with the economic stability achieved.

Many private companies have emerged due to the intensive process of privatization, therefore new legal acts on shareholding companies, securities market, insurance system have been worked out and the existing acts on bankruptcy and undergoing amendments to provide for the development and effective operation of these companies.

Together with the normative acts dealing with the specific important issues economic codes are being updated as well. We are currently working to improve civil, labor, family codes, amendments are being done to administrative, juridical and criminal codes. All the modern economic relations will be reflected soon in these codes.

The Government endeavors to reduce the expenditures on budgetary institutions, make the public administration more efficient.

It's already high time to restructure the public service organizations. Once non-profit they'll now become fully market-oriented.

Ladies and gentlemen, I would like to inform you that already in 1994 we evidenced growth of economic activities and main macroeconomic figures in the Republic. Hitherto, on the threshold of transition from planned economy to market, for a few years, the domestic production was on the decline. Hence, we expect that the pace of economic growth won't slow down. These means, that now, the economic environment in Armenia is favorable for both domestic and foreign investments.

I would like to mention also, that on implementing economic reforms with the assistance and in close cooperation with the international community, our country has established good relations with international organizations. The wide range of cooperation with these organizations denotes the recognition by them of the fact that a reasonable and reliable system consistent with the demands of modern market is being created in our country.

By the way, our contact with international economic organizations make it possible to benefit from their assistance also in attracting investments. Such opportunities provided by the World Bank, International Financial Cooperation, European Bank for Reconstruction and Development are not used in full, and the Government is ready to assist the investors in this respect. May I add also, that by the end of this year or in the beginning of 1997 we anticipate the accession of Armenia to the World Trade Organization as a full member.

It is well known that Armenia is not endowed generously with natural resources. In these circumstances we should rely mainly on our human resources to ensure further development. In this respect the Government attaches great importance to the level of professional qualification of the human assets. Since the Soviet times Armenia was notable for the high level of education of its population, for there were many hi-tech enterprises with qualified personnel in the country.

Our citizens are still notably qualified, and the State will by all means support and encourage the preservation and further development of our scientific and professional potential.

The diligence, aptitude and creative talent of our people will ensure efficient operation of modern technologies in Armenia.

Armenia is a small country, but we do not see it as an obstacle to its development. Our development strategy is oriented towards world wide economic contacts, whereby, we believe, prosperity of our country can be achieved.

Ladies and gentlemen, in the light of the above, we can say that the economic system in Armenia is one of the most liberal system in the world, which implies that high quality goods produced here will actually enter the world market.

So, take your chance and benefit from this opportunity so generously provided by history and contribute to your personal and our welfare, to the prosperity and development of Armenia.

Georgia

Georgia: Chernomyrdin's Upcoming Visit Not Agreed To by Tbilisi

LD1405191296 Moscow ITAR-TASS World Service in Russian 1832 GMT 14 May 96

[By ITAR-TASS correspondent Tengiz Pachkoriya]

[FBIS Translated Text] Tbilisi, 14 May (ITAR-TASS) — The visit to Tbilisi of officials from Russia, Azerbaijan, and Armenia to celebrate the 75th anniversary of the Russian group of troops in Transcaucasus has not been agreed to by the Georgian leadership, Vakhtang Abashidze, press secretary of the Georgian president, said today.

This was stated following reports in some Georgian and foreign mass media that Russian Prime Minister Viktor Chernomyrdin, as well as Armenian President Heydar Aliyev and Azerbaijani President Levon Ter-Petrosyan, were to come for the celebrations of the 75th anniversary of the Russian group of troops in Transcaucasus.

Georgia: 'Zviadists' Hold News Conference

AU1505112496 Tbilisi AKHALI TAOBA in Georgian 1 May 96 pp 1, 2

[Report by Nana Goderdzishvili: "The Party of Zviad States Its Complete Lack of Trust in Shevardnadze While There Is a Special Cell in Ortachala Prison for the Party"]

[FBIS Translated Excerpt] On 30 April, the All-Georgian Party of Zviad [Gamsakhurdia] held a news conference in which Chairwoman Leila Tsomaia and party members Shota Kiknadze, Apolon Adonia, and Tamila Nikoladze participated.

The first words were spoken by the party chairwoman. She stated: "We, Zviadists, knew from the start what negative results Shevardnadze's return to Georgia would bring. Indeed, over five years, Eduard Shevardnadze has managed to commit many crimes. In particular, by introducing the law on land, he has taken the land away from the Georgian peasants; he has legalized the stationing of Russian military bases on Georgian territory for 25 years; by opening foreign universities, he has discriminated against Georgian culture and brought about the degeneration of the national soul. As a result of all this, the Party of Zviad states its complete lack of trust in Shevardnadze, considers him to be a traitor, and demands that he resigns." [passage omitted]

Shota Kiknadze read aloud Leila Tsomaia's address to "Eduard Shevardnadze, the de facto leader of the

Republic of Georgia" in which it was stated: "Your goal is to crush and break me by constant persecution and oppression and force me to quit my homeland Georgia, but I can assure you that this is in vain. It would be better for you to think about resigning voluntarily for the well-being of Georgia. Otherwise, we will step up the peaceful political struggle against your capitalist-imperialist policy until you are removed." [passage omitted]

Then, the participants in the news conference answered correspondents' questions:

[Unidentified correspondent] How many parties make up the Zviadist movement, and what is preventing them from uniting?

[Unidentified participant] We do not know the exact number. The goal of all these parties is the same, though it is possible that they differ in the methods of struggle. Unification is possible, but it depends with whom. We will not cooperate with bloody fratricides and the deputies of the Supreme Council who are in opposition, as they did everything to banish Zviad Gamsakhurdia from Georgia.

[Unidentified correspondent] When was the Party of Zviad founded?

[Unidentified participant] On 23 September 1994, the anniversary of the return of the persecuted president to Georgia. Its creation incurred the wrath of Shevardnadze, and he still feels this. We deliberately do not reveal the names of the party's members, as we have been suffering constant repression, and we do not want to create additional problems. It should be pointed out here that there is a special cell for us in Ortachala Prison. It rains and snows inside just as it does outside, and it is furnished with just one broken chair.

Georgia: Abkhazia Reported Facing 'Demographic Catastrophe'

AU1505090996 Tbilisi ALIA in Georgian
7-8 May 96 p 2

[Unattributed report: "Abkhazia Is Being Threatened by a Demographic Catastrophe"]

[FBIS Translated Text] According to information from the Abkhazian Autonomous Republic press service, which is based on an informed source, the demographic situation in Abkhazia is acquiring a dramatic character. Today, there are more than 90,000 people living in the Autonomous Republic, of whom 60 percent are elderly people and pensioners. The explosion of the separatist epidemic has resulted in the Abkhazian people being faced with extinction. The fall in the birthrate, the increase in the number of abortions, the multitude of infectious diseases, and the number of young drug addicts constitutes the bitter reality in Abkhazia. On account of alcoholism and drug addiction, one young family in three is breaking up. The situation is shocking in Sukhumi's maternity home where there is just a tiny medical staff and where, if there is a rare birth, the baby is sick and handicapped, as the parents lead a dissolute and debauched life.

Georgia: Russia's Transcaucasian Military To Revise 75th Jubilee

LD1505100296 Moscow INTERFAX in English
0915 GMT 15 May 96

[FBIS Transcribed Text] TBILISI, May 15 (INTERFAX) — The headquarters for Russian troops serving south of the Caucasus mountains (Azerbaijan, Armenia, Georgia) is revising the program for the 75th jubilee of the Transcaucasian military district, scheduled for May 18-22.

This decision was taken to avoid aggravating relations with the local authorities, sources at the group press service told Interfax.

The Transcaucasian military district was created in 1921 by the Bolshevik government after Soviet troops took control of the region, one of the last to enter Soviet control following the Russian Civil War.

They said the command did not expect such a negative Georgian reaction to the planned festivities.

Information on the festivities' scale "was much exaggerated," said the sources. It was planned for two companies, one of them Georgian, to march in front of the Tomb of the Unknown Soldier in Tbilisi. "We had reached an agreement to that effect with the Georgian Defense Ministry," said the source.

Spokesman for the Georgian president Vakhtang Abashidze told a briefing in Tbilisi Tuesday the festivities were not officially coordinated with the Georgian leadership.

The ruling Georgian Citizens Union, chaired by Georgian President Eduard Shevardnadze, made a statement to say celebrations of the district jubilee "are an insult to the Georgian people," because 75 years ago the 11th Red Army abolished the Georgian democratic republic with arms and introduced Soviet power in the Republic.

The statement claims it was planned to hold a military parade including military ordinance, and a 400 salvo salute during the celebrations in Tbilisi.

"If the jubilee program is not changed, the Georgian Citizens Union will make an action of protest in front of the troops' staff building," says the statement.

Georgia: Oil Consortium Boss Says No Alternative to Georgian Route

AU1505104896 Tbilisi MERIDIANI in Georgian 7-10 May 96 pp 1, 2

[Report by Vakhtang Khomeriki: "Terry Adams: 'Caspian Oil Has No Future Without Georgia'"]

[FBIS Translated Text] The traditional celebrations on 2 May in Kutaisi were held on a grandiose and large scale this year, the likes of which even the oldest representatives of the Shashiashvili [Kutaisi mayor] regime could not recall. The grand events included a significant meeting with European businessmen at the Opera House, where International Oil Consortium President Terry Adams delivered an extremely important and noteworthy speech. First and foremost, he called the information broadcast by the BBC radio company claiming that the consortium could possibly reject the "western route," or adopt a decision on running the oil pipeline through Armenia (this information was published in the British daily THE TIMES), as a "provocation that has a specific purpose." In reality, according to Terry Adams, the consortium had finally made its choice in favor of Georgia and, moreover (taking into account the current events in the north Caucasus), the route had acquired decisive importance. Terry Adams was clearly excited, which on this occasion was probably not on account of the special hospitality shown by the Kutaisians. As can be seen, the era when Georgian authorities entreated the consortium and made unheard-of concessions to it (a total income of $8 million, whereas Russia's revenues should amount to half a billion dollars — the result of precisely such a concession) is a thing of the past. Now the consortium also can already see that there is no alternative "there" to the Georgian route — the war is again raging in Chechnya, and this makes it impossible to bring the "northern route" into operation.

The situation in Russia as a whole is getting increasingly more acute and tense, and one cannot rule out that new seats of conflict might arise. As such the western financial concern that forms the basis of the oil consortium is mainly placing the emphasis on Georgia, and through Terry Adams is also stating that it does not have any other route. In his speech, Adams emphasized the following: "The deadlines are drawing near; there is no time to be lost. The first oil should already be piped across Georgian territory in one year's time — in May 1997. However, the use of Georgia's transit potential starts right now. It is expected that the ports of Batumi and Poti will be functioning at full capacity. The necessary equipment and apparatus to extract the oil will be transported through them (via Georgia territory) to the shores of the Caspian Sea. To all intents and purposes, Georgia's sea portals are the only way to create the corresponding infrastructure on the Caspian shore. In this way the implementation of the 'project of the century' is already beginning, and will continue provided no political circumstances hinder it. From this point of view, the recent statement by Aslan Abashidze [chairman of the Ajarian Autonomous Republic] (confirmed by Chernomyrdin) concerning the extraction of 5 billion tonnes of oil from the Black Sea, when specialists have established there is no oil there, gives cause for concern."

Lithuania

Lithuania: President Submits EU Agreement to Parliament

LD1505085296 Moscow INTERFAX in English 0801 GMT 15 May 96

[FBIS Transcribed Text] VILNIUS, May 15 (INTERFAX) — Lithuanian President Algirdas Brazauskas on Tuesday submitted to the parliament for ratification an agreement on his nation's associated membership in the European Union (EU).

Like Latvia and Estonia, Lithuania signed the agreement granting it the status of EU associated member in Luxembourg on June 12, 1995. However, the agreement will become effective only after it has been ratified by all 15 EU members, as well as the European Parliament and Lithuanian parliament.

The agreement has already been approved by the European Parliament, Denmark, Sweden and Finland, officials in the Lithuanian Foreign Ministry's European Integration Department told Interfax. The parliaments of Latvia and Estonia have ratified their EU membership agreements, but Lithuania has yet to make changes in its constitution to allow foreigners to own land in the Republic. The constitutional amendments are expected to be debated in the parliament in the second half of June. Late last year, Lithuania sent an official application for full EU membership.

Lithuania: Parliament Ratifies PFP-NATO SOFA

WS1505082296 Vilnius ELTA in English 1659 GMT 14 May 96

[From "News Bulletin" No. 1009]

[FBIS Transcribed Text] Vilnius, May 14 (ELTA) — On Tuesday Lithuanian Seimas ratified the agreement of states, participants of the North Atlantic Treaty, and other states taking part in the 'Parthership for Peace' programme on the status of the military forces of these states and the additional protocol of the agreement signed in Brussels on January 31.

By ratifying the document Lithuania joined the NATO's 'Agreement of the North Atlantic Treaty states on the status of their military forces' (SOFA) signed in London on June 19, 1951. The document signed by all NATO members is aimed at determining the status of the military forces sent on mission or training to the territory of the country belonging to the treaty.

According to Lithuanian Defence Minister Linas Linkevicius, 'signing and ratification of the document is of exceptional importance for Lithuania on its way to NATO'. In his opinion, this is the first legal agreement equally binding for NATO members and for the states taking part in the programme 'Partnership for Peace'.

Currently Lithuania is taking more active part in the 'Partnership for Peace' programme, is sending its troops to take part in the exercises abroad — mostly to the NATO member states and is organizing joint trainings in Lithuania, therefore, it is necessary to determine the status of the military forces. The new document would assist to solve the problem.

Lithuania: Landsbergis Accuses Russia of 'Psychological Warfare'

LD1405142396 Vilnius International Service in Lithuanian 2100 GMT 13 May 96

[FBIS Translated Text] Lithuania is not putting in enough effort to resist Russia's psychological warfare against the Baltic countries, according to Vytautas Landsbergis, opposition leader in the Seimas.

At a news conference on 13 May, Landsbergis described various new Russian doctrines on how to carry out military invasion into the Baltic states as a localized cold war. The chairman of the Homeland Union Party [Landsbergis] stressed that Lithuania does not demonstrate enough efforts to resist cold war by political and diplomatic means. Landsbergis said that such attempts were not seen at the recently held conference of the Baltic countries in Gotland. Landsbergis said that in his conversation with Russian Prime Minister Viktor Chernomyrdin, Lithuanian Prime Minister Mindaugas Stankevicius could have made much more courageous statements.

Speaking about Lithuania's attempts to join NATO, Landsbergis noted that the point of view of the alliance itself is changing. Previously, NATO was stressing that any country was eligible to join subject to satisfying certain requirements of democracy, good relations with its neighbors, economic development, and military readiness, but now decisions by individual NATO member countries [concerning NATO expansion] are being considered, Landsbergis said.

Lithuania: Opposition Discusses Foreign Minister's Letter

LD1005144396 Vilnius Radio Vilnius Network in Lithuanian 1100 GMT 10 May 96

[FBIS Translated Text] Lithuanian Prime Minister Mindaugas Stankevicius yesterday confirmed at the Seimas session that he had indeed received a document prepared by Foreign Minister Povilas Gylys concerning the government's economic policy.

Speaking at a news conference today, Andrius Kubilius, chairman of the Seimas Conservative faction, said that the prime minister realized that he had found himself in a rather awkward position and therefore did not dare comment on the situation. According to Kubilius, the prime minister found himself in such a situation after the Seimas members inquired whether it was true that in the above letter Foreign Minister Gylys asserted that the government's memorandum on the economic policy, which had been approved by the IMF, runs counter to the country's constitution and that reduced import tax would hinder Lithuania's membership in the European Union.

Gediminas Vagnorius, the chairman of the Conservative party administration board, believes that this could be described either as a complete ignorance or a provocation aimed at preventing the ratification of the association treaty with the European Union. He did not reject the possibility that this was not a letter by Mr. Gylys alone and added that it reflected the stance of certain forces.

Mr. Vagnorius told journalists that the memorandum on the economic policy cannot run counter to the constitution because this is a schedule of intentions and not obligations; therefore, it does not have to be ratified by the Seimas. The Constitution, the country demands that state borrowings and other essential financial and property obligations undertaken by the state should be ratified by the parliament.

He also recalled that the EU economic space was without customs duties; therefore, the reduction of customs tax would only accelerate Lithuania's integration into the EU and not hinder it. If the customs duties are increased on the initiative of the Ministry of Agriculture, other states will inevitably increase their customs duties to Lithuania. As a result, the Lithuanian farmers will suffer the loss and not the EU or Central European countries, Gediminas Vagnorius said.

The chairman of the Conservative party Administration Board believes that such decisions would push Lithuania towards undeveloped countries. According to him, Mr. Gylys' letter will for sure reach foreign embassies and Lithuania will have to explain to them that this was a "technical mistake."

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.